

DOCUMENT RESUME

ED 376 295

CE 067 537

AUTHOR Kozek, Ed; Faught, Suzanne G.
TITLE Petroleum, Convenience, & Automotive Marketing
[Student Book and] Answer Book/Teacher's Guide.
INSTITUTION Texas Univ., Austin. Extension Instruction and
Materials Center.
SPONS AGENCY Texas Education Agency, Austin.
PUB DATE 94
NOTE 252p.
AVAILABLE FROM Extension Instruction and Materials Center,
University of Texas, P.O. Box 7218, Austin, TX
78713-7218 (student book, stock no. ME 336 S; answer
book/teacher's guide, stock no. ME 336 A).
PUB TYPE Guides - Classroom Use - Instructional Materials (For
Learner) (051) -- Guides - Classroom Use - Teaching
Guides (For Teacher) (052)
EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Auto Parts Clerks; Career Education; Career Ladders;
Careers; *Distributive Education; Fossil Fuels;
Instructional Materials; Learning Activities;
*Marketing; Oil; *Petroleum Industry; Postsecondary
Education; Salesmanship; Sales Workers; Service
Occupations; *Service Workers; Teaching Guides

ABSTRACT

This student manual and answer book/teacher's guide focus on the industry-specific information and skills needed by students who plan to enter, or who may already be receiving, training in a petroleum-related business, such as a full-service gas station, convenience store, or automotive specialty service shop. The student manual contains 16 assignments divided into these parts: beginning one's training, gaining product knowledge, applying marketing concepts, and employment opportunities. Each assignment consists of a list of objectives, informational material, summary, and review questions. The answer book/teacher's guide contains the following: suggestions for using the publication for independent study and classroom instruction; assignments and objectives correlated with competencies identified by the Secretary's Commission on Achieving Necessary Skills (SCANS); SCANS competencies and skills; and answers to the questions found at the end of each assignment. Additional learning activities are provided for each assignment. Each activity follows this format: objective, background, instructions, and all necessary information or examples. A series of brief summative quizzes with answer keys, one for each assignment, provides an alternate method of student assessment. (YLB)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

#44420 166

TXM-CU06

ED 376 295

PETROLEUM, CONVENIENCE, & AUTOMOTIVE MARKETING

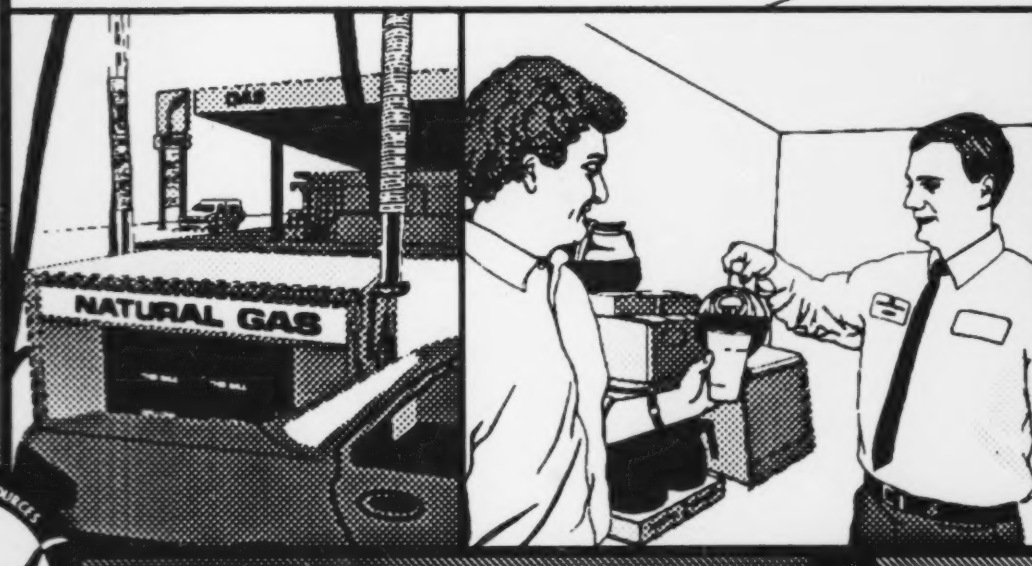
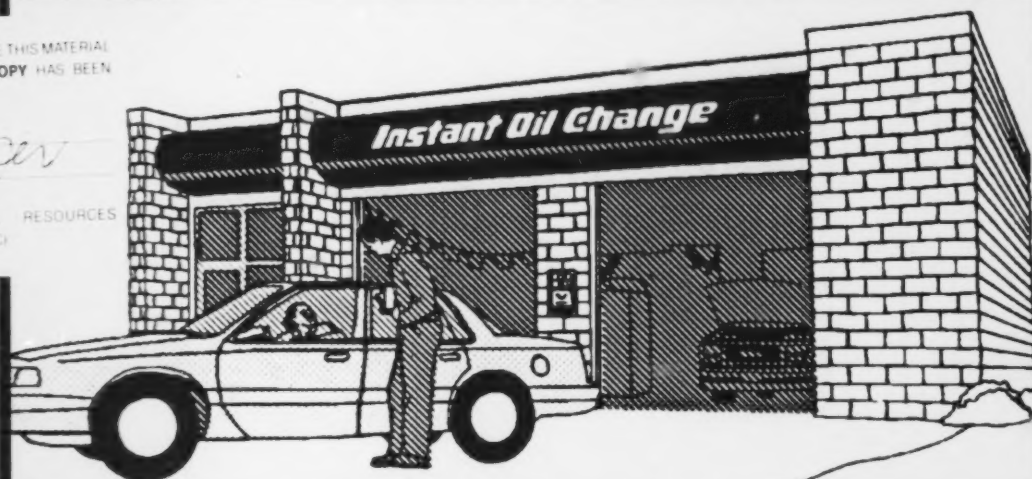
U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☒ This document has been reproduced as received from the person or organization originating it.
- ☐ Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE THIS MATERIAL
IN OTHER THAN PAPER COPY HAS BEEN
GRANTED BY

M. Cooper

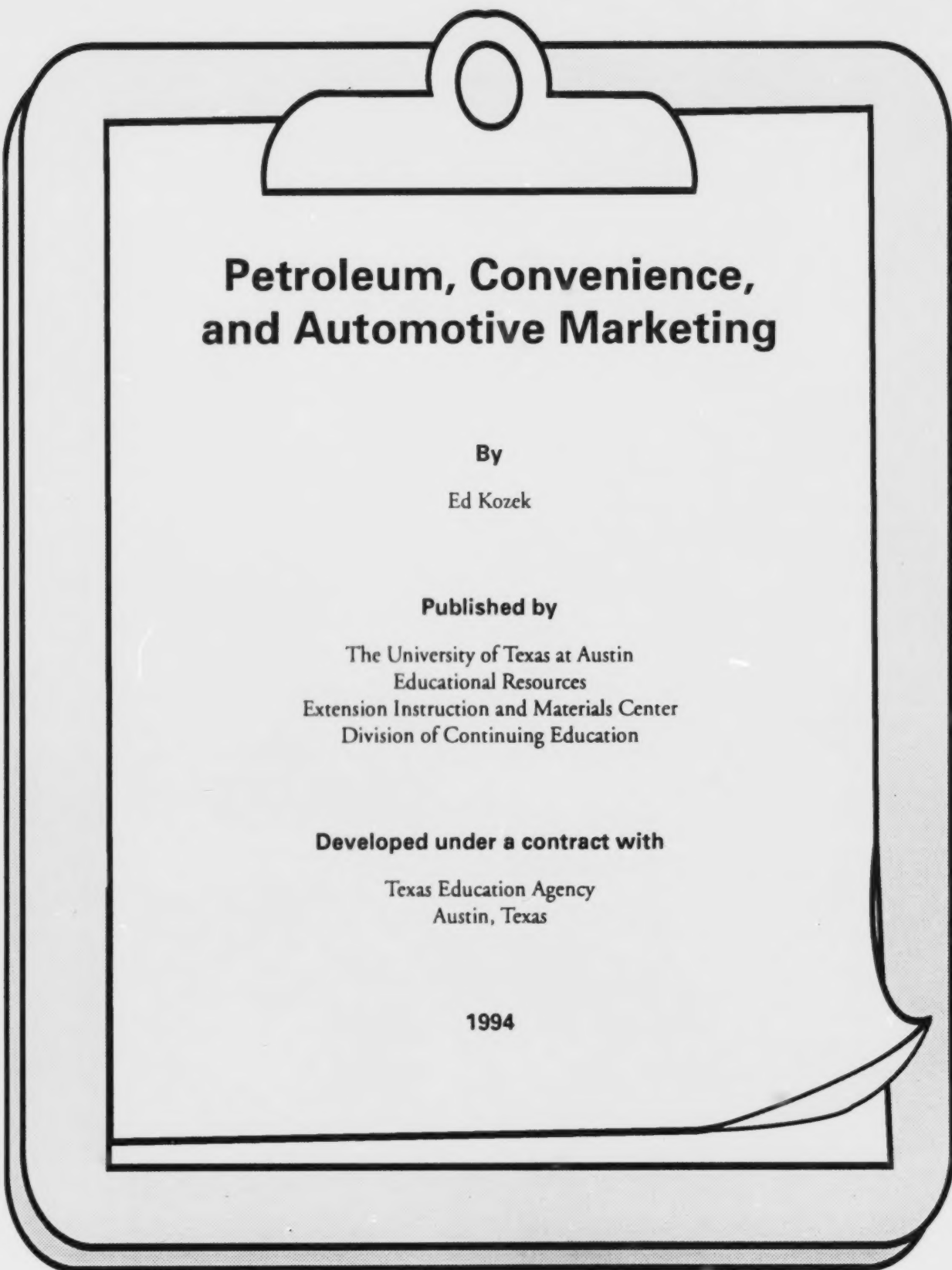
TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)



BEST COPY AVAILABLE

Marketing Education





Petroleum, Convenience, and Automotive Marketing

By

Ed Kozek

Published by

The University of Texas at Austin
Educational Resources
Extension Instruction and Materials Center
Division of Continuing Education

Developed under a contract with

Texas Education Agency
Austin, Texas

1994

© 1994 by The University of Texas at Austin
All rights reserved. Published 1994
Printed in the United States of America

Brand names, company names, trademarks, or other identifying symbols appearing in the illustrations and text are used to clarify and identify and do not constitute a recommendation or endorsement by the author or the publisher.

Curriculum Specialist / Suzanne G. Faught
Editor / Barbara Sutherland
Artists / Elinor Gamache and Debra Dionisio
Publishing Technician / Kathryn N. Roberts
Publications Coordinator / Jonathan Griffith
Director, Educational Resources / Mitch Cooper

Additional copies may be ordered from:

THE UNIVERSITY OF TEXAS AT AUSTIN
Educational Resources
Extension Instruction and Materials Center
P.O. Box 7218
Austin, TX 78713-7218
(512) 471-7716 or (800) 252-3461
FAX (512) 471-7853

Stock Number ME 336 S

Foreword	v
----------------	---

PART I BEGINNING YOUR TRAINING

Assignment 1	Industry History and Trends.....3 Full-service gas stations, convenience stores, specialty automobile service shops
Assignment 2	The Importance of Customer Service.....9 What is customer service?, why is customer service important?, selling—in the full-service gas station, in the convenience store, in the specialty automotive service shop
Assignment 3	Completing Sales Transactions.....15 Greeting the customer—in a convenience store, in a full-service gas station or specialty automotive service shop; processing the purchase—ringing up the order, bagging the order, handling coupons, handling food stamps
Assignment 4	Safety and Personal and Store Security.....21 Safety—accidents, fire safety, first aid and medical emergencies; personal and store security—burglary and robbery, shoplifting

PART II GAINING PRODUCT KNOWLEDGE

Assignment 5	Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas.....29 Gasoline—where does gasoline come from?, qualities of a good gasoline, octane rating, gasoline additives; diesel fuels; liquefied petroleum gas
Assignment 6	Selling Motor Oils and Replacement Filters.....35 Facts about motor oils, motor oil coding systems, facts about oil filters, why change oil filters?, selling motor oils and filters—the right attitude, selling requires confidence, who are your customers?, sales strategy, a final reminder
Assignment 7	Selling Tires and Batteries.....41 Tires—basic facts about tires, tire stress, selling tires; batteries—facts about batteries, how the battery works, how a battery is charged, selling batteries
Assignment 8	Selling Replacement Parts.....49 Shock absorbers, spark plugs, lighting and electrical accessories, mufflers and exhaust system parts, hoses and drive belts, replacement wiper and washer parts

C o n t e n t s

Assignment 9	Selling Automotive Services	57
	The casual inspection; systems inspections	
PART III	APPLYING MARKETING CONCEPTS	
Assignment 10	Stockkeeping and Merchandising	65
	Need for adequate inventory; benefits of adequate inventory; basic stockkeeping—ordering items, receiving orders, opening cartons, price marking, shelf stocking, processing damaged and returned goods for credit; basic merchandising; guidelines for maximum merchandising	
Assignment 11	Working with Vendors	73
	Vendor services—store obligations to the vendor, vendor obligations to the store, processing the vendor order; working with vendor-supplied merchandise—soft drinks, milk and dairy products, bread, health and beauty aids, magazines, periodicals, and books; tobacco products, candy, and gum	
Assignment 12	Assisting with Inventory Control	81
	Profits and why they are necessary; the money-stock-money cycle; stock turnover—figuring stockturns, turnover and profits, space contribution, inventory to profit; your job in assisting with inventory control	
Assignment 13	Controlling Losses and Shortages	87
	Why many small businesses fail; why losses happen—the result of shortages, how losses happen; methods of controlling losses—hire and train good employees, select employees carefully, have a system of tight controls	
Assignment 14	Promoting the Business	93
	The need for promotion; finding new customers, planning promotion—set the budget, set objectives; forms of promotion—advertising, display, personal solicitation, telephone solicitation, flyers, publicity, credit, cooperative advertising; the promotional campaign—planning and implementing the campaign, evaluating the campaign	
PART IV	EMPLOYMENT OPPORTUNITIES	
Assignment 15	Getting the Job and Training	101
	Getting the job; training; advancement—small, independent organizations, large chain organizations	
Assignment 16	Moving Toward Supervisory/Management Duties	105
	What is supervision; accepting responsibilities—starting and ending your shift, opening and closing registers, handling difficult customers, making reports; supervising others—motivation, training, evaluation; creating a safe and healthy environment	

Petroleum, Convenience, and Automotive Marketing is one of the expanding series of EIMC/Educational Resources publications on what is done by employees in specific types of marketing occupations. Unlike previous publications of this general type, it offers insight into the various environments in which training can take place—full-service gas stations, convenience stores, and automotive specialty service shops.

The material is presented in ways that will introduce you to the information and thought processes needed by persons who are moving up the ladder in a career. By answering the questions at the end of each assignment, and by doing selected learning activities, you will begin to get a clearer idea of what is done and why it is done. The activities are designed so that you do not actually have to be employed at a training station, but can gain information by research, observation, and discussion with employees in petroleum-related businesses. By doing one or more of the learning activities found in the Answer Book/Teacher's Guide, you will develop a variety of the higher-level thinking skills now recognized as being necessary to success in marketing.

Ed Kozek wrote *Petroleum, Convenience, and Automotive Marketing* and is currently a freelance writer and editor. His two years of work experience in a small-town convenience store during high school and the materials he has written for the industry since then provided valuable insight into this dynamic industry. He received his bachelor's degree in English with a minor in secondary education from the University of Massachusetts at Boston.

The Extension Instruction and Materials Center/Educational Resources at The University of Texas at Austin wishes to acknowledge the following individuals for sharing their expertise:

- Warren Pitcher, Instructor
Convenience Store Operation
Des Moines Area Community College
Ankeny, Iowa
- Mickey Driver, Public Affairs
Manager
The Chevron Companies
Houston, Texas

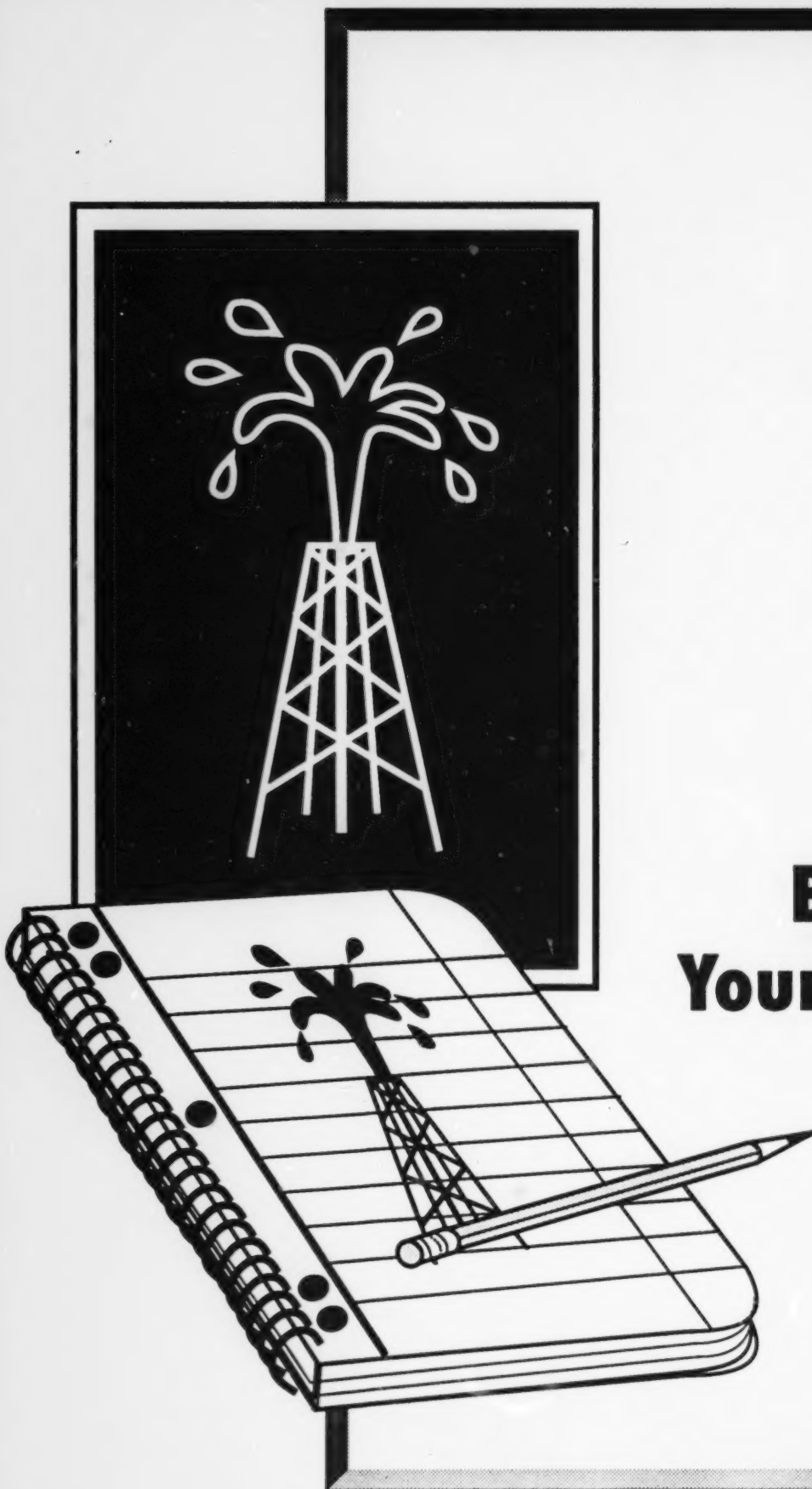
Special thanks for their advice on this manual go to the members of the 1993-94 Marketing Education Project Advisory Committee, who reviewed the tentative outline and offered suggestions for this and other marketing education publications:

- Betty Helton, McCallum High School, Austin
- Adell Morton, Allen High School
- Sheryl Nelson, Tuloso-Midway High School, Corpus Christi
- Larry Russell, Clear Lake High School, Houston
- Berry Sullivan, teacher-educator, Southwest Texas State University, San Marcos
- Michelle Walker, doctoral candidate, University of North Texas, Denton

Foreword

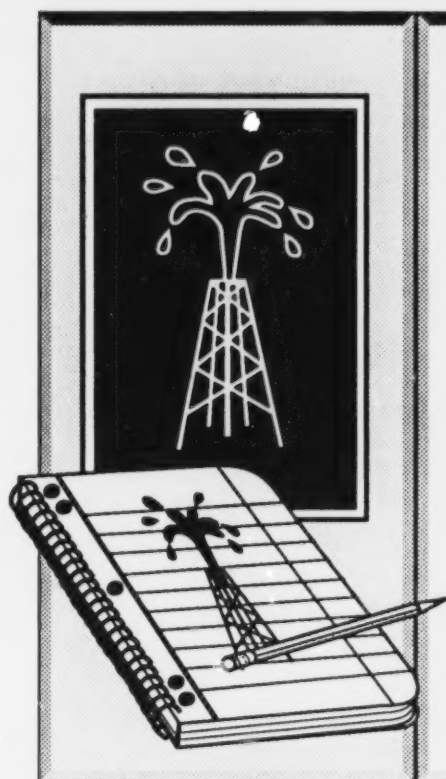
Appreciation is also due Larry Russell and Warren Pitcher for field-testing/validating the student manual and to Emmett Eary, Program Director for Marketing Education, Texas Education Agency, Austin, for his guidance and support in the development of marketing education curriculum and instructional materials projects.

Suzanne G. Faight
Marketing Education Curriculum Specialist



PART I

Beginning Your Training



1

Industry History and Trends

Objectives: After completing this assignment, you will be able to—

- define *full-service gas station*, *convenience store*, and *specialty automobile service shop*;
- explain how and why market changes have resulted in fewer full-service gas stations and more convenience store/gas station combination stores;
- explain why people shop at convenience stores; and
- list at least five products and at least five services offered at many convenience stores today.

How much do you know about the petroleum marketing and convenience store industries in the United States? Before beginning your study, test yourself by mentally answering the following questions:

1. Since the 1970s, the number of full-service gas stations has _____.
 - a. been rising
 - b. been falling
 - c. fallen dramatically
 - d. not changed at all
2. Self-service gasoline sales now make up about _____ of total gasoline sales.
 - a. 25%
 - b. 45%
 - c. 50%
 - d. 60%
3. About _____ of all convenience stores sell gasoline as well as hard merchandise.
 - a. 10%
 - b. 30%
 - c. 45%
 - d. 68%
4. Of all of the stores that sell food, about _____ of them are convenience stores.
 - a. 15%
 - b. 33%
 - c. 50%
 - d. 67%
5. That a store _____ is most important to customers in choosing a convenience store.
 - a. is open 24 hours
 - b. has short checkout lines
 - c. has an ATM
 - d. is near home or work
6. The average convenience store customer is a(n) _____.
 - a. senior citizen
 - b. teenager
 - c. adult female
 - d. adult male

Many of the answers to these questions may surprise you. In the following pages, try to find them.

Full-Service Gas Stations

What Are They, and What Do They Sell?

A **full-service gas station** is a store that sells a wide range of petroleum products and services. *Full-service* means providing comprehensive services. Nearly every automobile service or product need can be fulfilled at a full-service gas station. Products commonly offered include



A typical early "filling station"

gasoline, oil, antifreeze, windshield wiper fluid, and belts and hoses. Services that most full-service gas stations offer range from oil changes to windshield wiper replacement to more complicated work like transmission repair.

Why do customers shop at and have repairs done at service stations? Full-service gas stations are a place where a car owner can get complicated and critical repairs made. Many people also go to service stations because they have a relationship with someone who works there, a friendly, honest mechanic perhaps. Customers remember good service and will often reward it with loyalty. Other customers may have accounts at full-service gas stations that allow them to pay for products and repairs in installments. And still others may like the individual attention given to the customer at full-service gas stations, where many people feel that the emphasis is not so much on speed as it is on quality.

Brief History of Full-Service Gas Stations in the United States

The rise of the full-service **gas station** is, of course, tied to the rise of automobiles. In the 1910s, as automobiles became more and more popular (and affordable), gas stations began to spring up, and an industry was born.

A plentiful supply of inexpensive petroleum products, the construction of a national highway system, and the increasing mobility of Americans also contributed to the spread of gas stations. And because early automobiles needed more refueling and care and maintenance than cars made today, many gas stations set up service stations at their outlets. These outlets offered all kinds of services, from providing oil changes to changing tires to selling gasoline. Those who sell gas or petroleum-related services are known as *petroleum marketers*. A **marketer** is a person or company that promotes and sells a particular product or service.

After World War II, Americans moved in huge numbers to suburbs for the first time. The suburban population was highly mobile, and every family or household unit had to have at least one automobile to get to work. Therefore, more gas stations were needed.

However, during the 1970s, an oil embargo against the United States by some Middle Eastern nations drove the price of petroleum products up sharply. In addition, most cars made during that time were huge, bulky machines that got very poor gas mileage. This put a heavy burden on gas stations, which were forced to lower prices on gasoline to compete for business. About 80 percent of all gasoline sales were then made at full-serve stations, where the gasoline was pumped by attendants. Self-service gas stations rose in popularity as petroleum marketing companies realized that they could save money for both themselves and their customers. Customers could pump their own gas, which eliminated the gas pump attendant, lowering labor costs. Today, self-service gas stations account for about 85 percent of all gasoline sales.

Since 1980, the number of full-service gas stations in the United States has been falling. That year there were 158,000 stations, but by 1992 there were only 103,000, a decrease of 35 percent.

There are several reasons why full-service gas stations are becoming less popular. One reason is that cars made today are more reliable and efficient than those made in years past. The newer cars thus require much less service than earlier automobiles did. The Clean Air Act

Amendments of 1990 have proved dangerous to many gas station operators as well. The amendments include environmental regulations, such as the installation of safer underground storage tanks (where the gasoline is stored), that all gas stations must comply with by 1998. These new regulations are forcing many gas stations, owned by individuals who don't have the money to pay for cleanup and adoption of the regulations, to close. It is estimated that more than three-quarters of gas station closings are now directly related to the expense of adapting to these new standards. However, the two largest factors behind the decline in the number of full-service gas stations in the United States are the rise of both convenience store/gas station combinations and specialty automobile service shops, such as quick lubes and tune-up stations.

Convenience Stores

What Are They, and What Do They Sell?

The industry refers to **convenience stores** as *C-stores*, and that is the term we will use in this manual. Basically, a C-store is a small, self-service food store that sells a variety of small, most-wanted, most-needed food or food-related merchandise. The average customer is a single male between 16 and 34. The average sale, excluding gasoline, per customer is \$2.45, so you can get some idea of the word "convenience." Customers usually come in to buy only one or two items. They sometimes buy a few other items on impulse. About one-third of all stores selling food in the United States are convenience stores.

Ranked in order of dollar sales, but excluding gasoline sales, the

best-selling C-store products are these:

1. Tobacco products
2. Beer
3. Fast food
4. Soft drinks
5. Milk and milk products
6. Candy and gum
7. Salty snacks
8. Groceries
9. Publications
10. Bread and cakes

Few C-stores sell fresh meats or produce. Most stores will carry ready-to-use bagged ice, eggs, juice, health and beauty aids, bottled water, charcoal, and auto supplies. A store's **product mix** varies greatly from store to store, however, depending on its neighborhood and the area of the country in which it is located. Many C-stores will carry particular items only during certain seasons, such as gardening supplies in the spring and summer or Halloween candy and costumes in the fall.

Most prices at C-stores are higher than prices one might find at a supermarket because the C-store doesn't sell nearly as many items as a supermarket. Because they buy merchandise in bulk, supermarkets get larger discounts from suppliers. C-stores have to charge more for some items to make up the difference. The items that are most profitable for the C-store were, in 1992, prepared foods, fountain drinks, coffee, candy, ice cream, deli products, ice, and health and beauty aids. In 1992 the average yearly sales for a C-store was \$608,000, according to the 1993 State of the Industry report published by the National Association of Convenience Stores (NACS).

C-stores also sell, or offer for free, services that may or may not be available in local supermarkets, such as the following:

- Automated teller machines (ATMs)
- Car wash
- Check cashing
- Cooked hot dogs
- Drive-up window
- Dry cleaning
- Faxing services
- Film processing
- Fried chicken
- Lottery tickets
- Microwave ovens for heating fast foods
- Money orders
- Postal services
- Prepared foods—sandwiches and deli items
- Video games
- Videocassette rentals

The NACS report also indicated that about 70 percent of all convenience stores in 1992 had some kind of deli or fast food operation. Some 76 percent sold lottery tickets, and 3 percent had car washes. Some services may not be very profitable for the C-store, but they are important because they generate traffic. Videocassette rentals are an especially good example of this. The customer has to make two trips to the store: one to rent the video and one to return it.

Why Customers Shop in Convenience Stores

We know that C-store prices are usually higher than those in supermarkets, and C-stores usually don't run as many specials and large ads as supermarkets do. So how can C-stores operate profitably and compete with supermarkets?

We can determine why customers shop in C-stores by studying what is most important to them when choosing one. According to the 1992 "Consumer Attitude Survey" by NACS, the top five reasons are these:

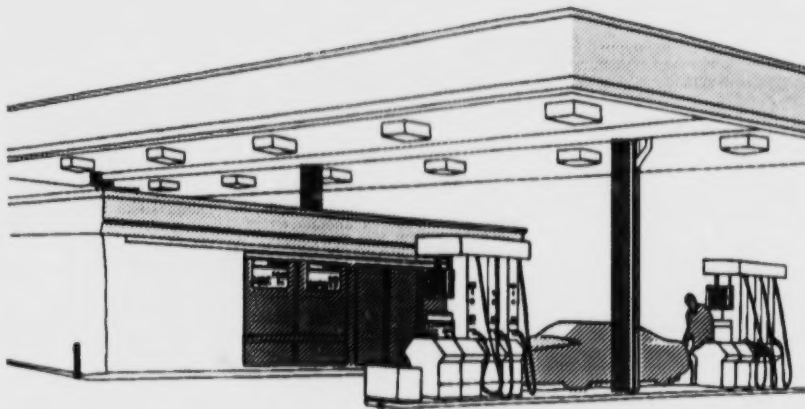
1. Located close to home/work
2. Cleanliness
3. Feeling of safety
4. Attitude of employees
5. Quality of merchandise

What do all of the above reasons have in common? They all make shopping a convenient and pleasurable experience. Another reason people shop in C-stores is that C-stores are quick to change and meet customers wants and needs. Supermarkets are more conventional in operation, and it takes more time and expense for them to make major marketing changes. C-stores, on the other hand, because of their small size, smaller inventories, and merchandising flexibility, can make changes almost overnight. Unprofitable lines can be quickly dropped and more profitable merchandise added.

Brief History of Convenience Stores in the United States

C-stores, like gas stations, experienced explosive growth in the 1950s as the American population spread out, but the original idea for C-stores can be traced back to Clarence Saunders, the founder of the Piggly-Wiggly grocery store chain, who patented the idea in 1917. Saunders envisioned a fast-service market where customers could enter easily, shop for items quickly, make their own selection, and check out with a central cashier.

The first true C-store was established by John Jefferson Green, an



A modern convenience store/gas station combination store

employee of the Southland Ice Company, who began to stock basic food items, like milk and bread, at an ice store he managed in Oak Cliff, Texas. Southland is now the world's largest operator of convenience stores, today running the 7-11 chain.

When self-service gas dispensing became popular, C-store operators began to sell gasoline at their stores, taking away business from full-service stations. The C-stores benefited from this development in many ways. Since most people shopped at convenience stores anyway, many began to buy their gas there as well to save time. This increased C-store sales. In the 1960s and 1970s, time became an important factor, too. With the rise of the two-income family, people found they had less time to shop and cook meals.

By the mid-1980s, more convenience stores were selling gasoline than was any other type of gas station. At this time, many major oil companies began exploring opportunities in the convenience store/gas station combination store industry. In 1992, twelve of the twenty top

convenience store operators in the United States were oil companies, including Amoco, Exxon, and Shell. About 68 percent of all convenience stores now sell gasoline as well as hard goods, according to NACS figures.

Although many convenience store companies overextended themselves in the 1980s, often buying or establishing more stores than they could pay for, and faced tough competition from national retailers, the total number of C-stores hasn't declined much. In 1982, there were about 38,000 C-stores in the United States. This number rose to more than 71,000 in 1990, then dropped to 70,000 in 1991 as cash-poor companies sold off or closed unprofitable stores. The industry seems to be growing again, however, and it is the convenience store/gas station combination stores that are leading the recovery. The market is now highly **saturated**, meaning that there are few areas of the country that don't have convenience stores. In fact, over one-half of the nation's population lives within one mile of a convenience store.

Words to Remember

convenience store—a small retail outlet that carries limited product lines, is self-service in

nature, has long hours of store operation, and includes some services in addition to sales

full-service gas station—a store that sells a wide range of petroleum products and services

gas station—any retail outlet that sells gasoline

marketer—a person or company that promotes and sells a product or service

product mix—the combination of types of products a business sells

saturated—a condition in which an area is supplied with all of the businesses it can support

specialty automobile service shops—automobile service stores that market only a few particular services, such as oil changes, tune-ups, or brake repairs

Specialty Automobile Service Shops

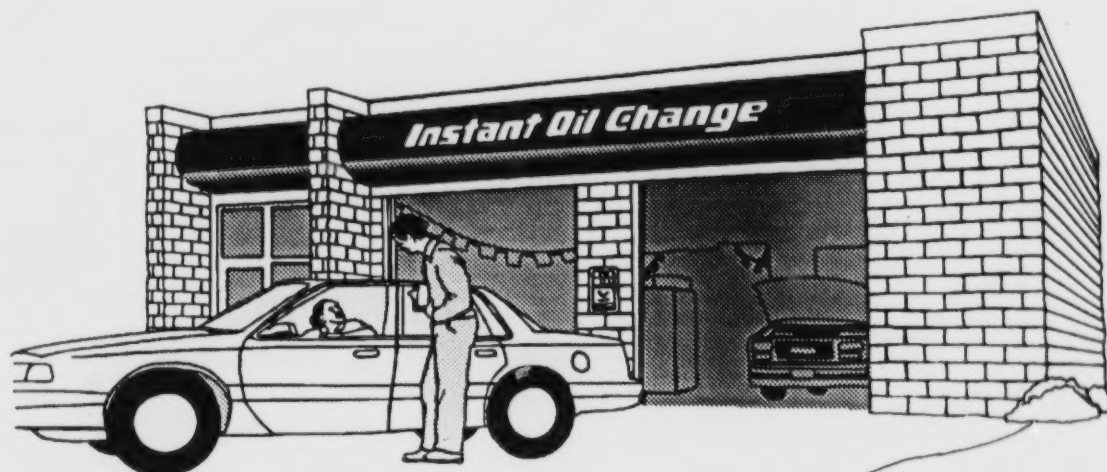
What Are They, and What Do They Sell?

In the mid-1980s, the specialty automobile service industry exploded. A specialty shop is one that specializes in a particular product or service, as a bakery specializes in bread products and an ice cream shop specializes in ice cream. Services available at **specialty automobile service shops** in-

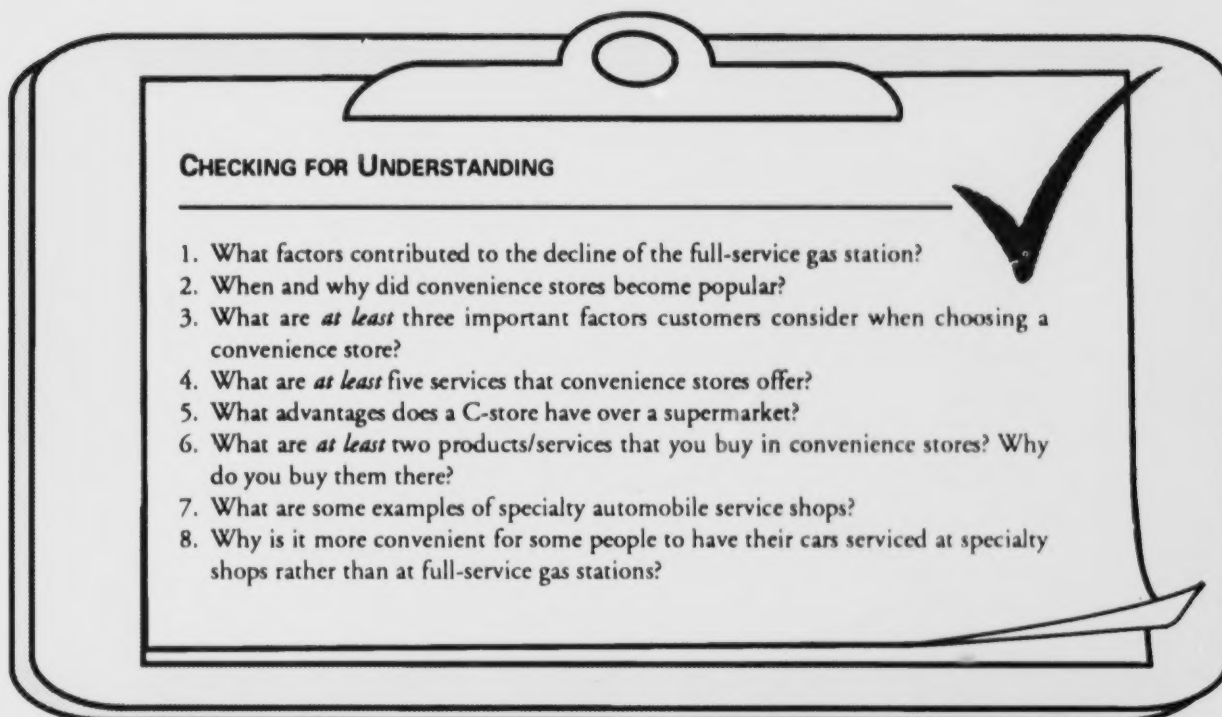
clude oil and filter changes, tune-ups, and muffler and brake repairs. Specialty retailers leave the complicated work to traditional service stations and concentrate on only one thing. As a result, they can often get the job done more quickly and less expensively—two advantages that customers take very seriously—than full-service stations.

Since 1985, full-service gas stations have been steadily losing customers in many areas of basic auto-

mobile repair and service, especially in the oil change and tune-up markets, to specialty shops. The specialty automobile service shop industry is still growing rapidly. There were about 8,300 of them in 1990; two years later the number had grown to 9,940, a jump of almost 20 percent! Again, the full-service gas station is losing the most, as specialty shops win customers who would have previously gone to them.



A modern specialty automobile service shop



CHECKING FOR UNDERSTANDING

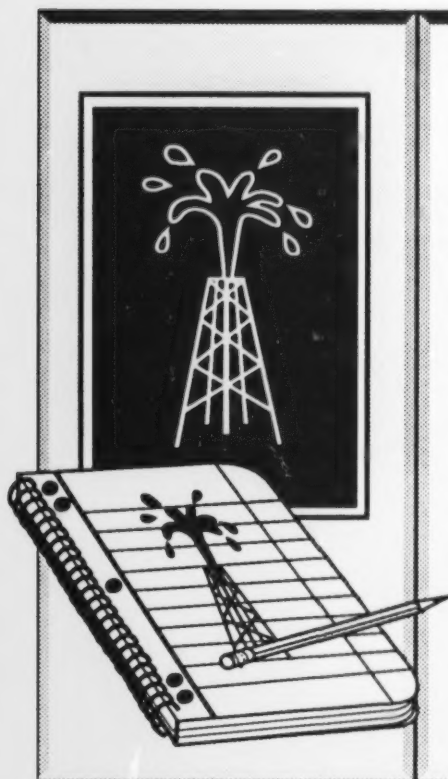
1. What factors contributed to the decline of the full-service gas station?
2. When and why did convenience stores become popular?
3. What are *at least* three important factors customers consider when choosing a convenience store?
4. What are *at least* five services that convenience stores offer?
5. What advantages does a C-store have over a supermarket?
6. What are *at least* two products/services that you buy in convenience stores? Why do you buy them there?
7. What are some examples of specialty automobile service shops?
8. Why is it more convenient for some people to have their cars serviced at specialty shops rather than at full-service gas stations?

Summary

The petroleum marketing and convenience store industries have undergone many changes in the last decade. While both industries have experienced difficult years recently because of overexpansion and stiff competition, only the number of gas stations is expected to decline in the coming years. Product and service sales continue to be distributed among more and more specialty shops. Operators are still building new convenience stores and automobile specialty stations, rapidly in some areas.

Notes

Figures and statistics used in this assignment were taken from issues of *Petroleum Marketing News* (1990-1993); "1993 Beer Industry Review and Analysis," Miller Brewing Company, Milwaukee, Wisconsin, 1993; and "Gasoline Marketing in the United States Today," American Petroleum Institute, Washington, D.C., 1992; and "1993 State of the Industry" and "Consumer Attitude Survey" (1992), National Association of Convenience Stores, Alexandria, Virginia.



2

The Importance of Customer Service

Objectives: After completing this assignment, you will be able to—

- define *customer service*, and explain why it is important;
- list several ways an employee can provide good customer service;
- define *suggestion selling*, and explain how it relates to customer service; and
- know when and how to make suggestion sales.

Someone once defined *customer service* as "service performed for customers," but that definition doesn't tell us much about the nature of the service. Whether you have ever thought about it or not, **customer service** affects how we choose where we shop. If an employee of a local supermarket is rude or curt with you, even just one time, are you more likely to return there for your shopping needs or go to another supermarket in town? You may think that the primary business of a gas station is gas, of a convenience store most-needed merchandise, and of a brake repair shop brake repair, but you would be wrong. Yes, these stores all sell goods and services for profit, but a customer is required to buy the products for a sale to be made. This is where customer service comes into play.

What Is Customer Service?

Whatever position you hold in a company, you should always consider yourself first and foremost a customer service representative. A **customer service representative** is someone, representing a company or store, who is responsible for maintaining a good relationship between the store and the public. This often means answering customers' questions, providing assistance in finding goods, and offering helpful suggestions about products or services that the customer may have overlooked or not seen. The ultimate goal of a customer service representative is to make the customer's shopping trip as easy, helpful, and convenient as possible.

To provide good customer service an employee doesn't necessarily have

to deal with customers personally. Keeping the floors clean and dry is providing good customer service. As is keeping the store's shelves stocked with customers' most-needed products. Keeping the parking lot well lit at night to make customers feel safe is another example. Anytime an employee does something that will make a customer's trip more enjoyable and hassle-free and that will increase the chances of that customer coming back to the store another time, the employee is doing something right.

One important aspect of good customer service is knowing your **customer base**. What kind of people shop at your store, and what do they usually buy? Are your clients generally family members, single people living alone, or commuters? Many people like to shop in C-



A customer service representative provides assistance to a customer.

stores because of the friendly, courteous service. In supermarkets, customers are seldom greeted by name. But because C-store customers are generally very loyal, it is easy to get to know them by name.

One of the best ways to build a strong customer clientele at a C-store is to learn people's names quickly and use them on every occasion. And by knowing your customers, you will also be able to provide them with the products and services they most need.

Why Is Customer Service Important?

Customer service is more important today in the petroleum marketing and convenience store industries than it has ever been in the past. This is because, in general, both markets are highly saturated with stores and shops that offer the same

services. Remember, most Americans live within one mile of at least one convenience store, and specialty automobile service shops can be found in most areas of all major U.S. cities.

Because there are such a great number of stores and shops in many areas, competition is very high. Therefore, retailers who were successful because they operated the only stores of their kind in town must now find ways to increase their customer bases and compete effectively with other businesses. The petroleum marketing and convenience store industries are now looking to superior customer service to bring in customers. After all, if a customer has a choice between two convenience stores that are about the same distance from his or her home, that both offer the same products and services, and that have

comparable prices, it is customer service that will make the difference in that customer's choice.

Selling

An important part of your job is **suggestion selling**, or to suggest items the customer may not have seen or noticed. This is not just an attempt to get more of the customer's money. True suggestion selling is always viewed as something that is helpful to the customer. It is actually one of the many services you can provide to customers.

You should not, of course, suggest that a customer buy items that he or she doesn't need or want. Your goal should be to help the customer. For example, if someone purchases charcoal for a barbecue, you might suggest lighter fluid; if a customer buys cereal, you might suggest milk. These suggestions may all save the customer another trip to the store later in the day.

Selling in the Full-Service Gas Station

With the exception of two or three basic services, most motorists and car owners seldom ask or think about other needs. Most will ask for oil changes, lubrication, and tune-ups. Even so, many do not ask for them on time, but usually wait until the need is called to their attention. Certain services and products are vital to a vehicle's performance and troublefree operation. Because many customers don't know what their car needs (or when), they actually depend on you to recommend basic automobile services and products. Making a sale in a full-service gas station is therefore relatively easy. However, because a full-service gas station offers such a wide range of



*Keeping your store clean and tidy is
one way to provide good customer service.*



Suggestion selling helps both the customer and the store.

services, an employee must be particularly knowledgeable to be able to make accurate diagnoses of automobile problems.

Selling in the Convenience Store

Making a suggestion sale in a convenience store is much more difficult than making one in a traditional gas station because most people who shop at convenience stores know exactly what they want. A person might pull up to a full-serve station and say to the attendant, "My car is making a strange noise. Do you have a minute to take a look at it?," whereas someone walking into a convenience store is more likely to ask a specific question like "Do you sell napkins?"

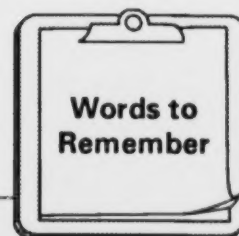
Asking the customer at the check-out stand, "Will this be all for you today?" or "Do you need anything else today?" is **not** suggestion selling. Suggestion selling, especially in

a C-store, is important. Because the product mix at C-stores is constantly changing to adapt to market changes (more so now than ever before, with cutting edge technology at many stores instantly recording what is sold at the point-of-sale), it is important that employees point out to customers new products and services offered. It is to the customer's advantage as well as to yours to call attention to the new product or service.

However, you shouldn't suggest sales indiscriminately. You must target your audience. You wouldn't, for example, mention a special on diapers to a ten-year old. Nor would you suggest to the elderly woman who comes in occasionally to buy a newspaper that she try out the store's newest video game.

The following are examples of appropriate suggestion selling:

- *To an avid coffee drinker:* "Just



ancillary—products and services offered at a store or shop that are secondary, but related to, the primary function of that establishment

customer base—the group of people who regularly shop in a particular store

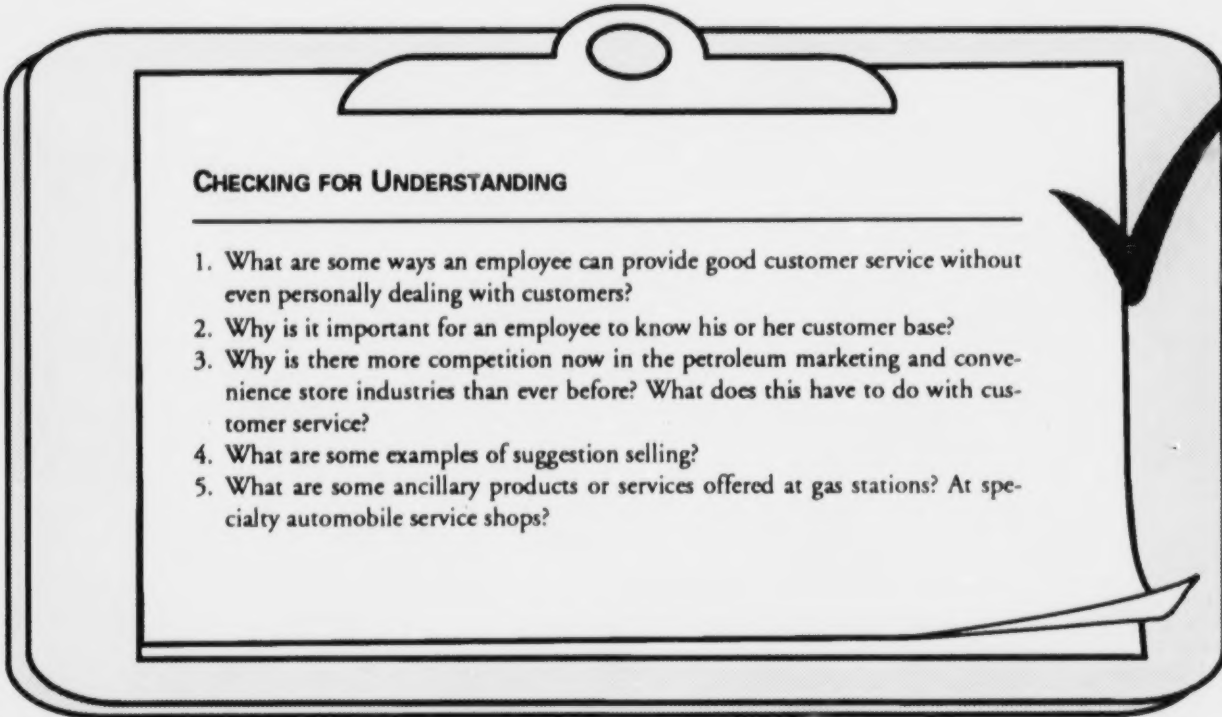
customer service—service given to customers by a store employee, including assisting in answering questions, solving problems, and giving advice about the products and services offered by the store

customer service representative—an employee responsible for maintaining a good relationship between the store and the public

suggestion selling—increasing the original sale through the use of helpful, constructive suggestions about products or services the customer may have overlooked or not seen

today we began selling gourmet coffees. We have a special introductory price this week."

- *To a child:* "The candy in the jar to your left is only five cents this week."
- *To someone buying envelopes:* "You know, we now sell stamps. A book of twenty is only \$5.80."
- *To someone purchasing several cases of soda:* "It's pretty hot today, sir. If you need ice, I



CHECKING FOR UNDERSTANDING

1. What are some ways an employee can provide good customer service without even personally dealing with customers?
2. Why is it important for an employee to know his or her customer base?
3. Why is there more competition now in the petroleum marketing and convenience store industries than ever before? What does this have to do with customer service?
4. What are some examples of suggestion selling?
5. What are some ancillary products or services offered at gas stations? At specialty automobile service shops?

can get you some from the back."

- *To a sports fan just before a big game:* "We've got potato chips on sale today. All flavors. They're right behind you if you're interested."

When a suggestion is made as a helpful idea or something that will aid the customer, it is usually well received. People appreciate good suggestions, even if they do not buy the item right then. You have planted a seed of suggestion that will likely be acted on at a later time. Remember, most people who shop at a C-store are in a hurry, and time may not permit the customer to act on your suggestion right now.

If you are not particularly busy, you may also make suggestions to customers who are shopping around the store. You don't have to wait until they come to the checkout stand. For instance, you might call to their attention some new service or product that your C-store offers.

Suggestion selling is especially effective when you know your customers and their shopping habits. This is another good reason to be friendly and get to know by name your clientele.

Selling in the Specialty Automobile Service Shop

At specialty automobile service shops it is both easy and difficult to make a sale. Customers almost always come in with a specific need that the shop can address—a broken tailpipe, perhaps, or squeaky brakes. Because these shops specialize in whatever problem is brought to them, the job can usually be done easily. However, because the store is so specialized, suggestion selling is more difficult. If your store specializes in oil changes, and a customer comes in for an oil change, what else can you sell to him or her?

Many specialty stores offer ancillary products and services. An ancil-

lary product or service is one that is not essential to the primary duties performed at the shop but is somewhat related. For example, an oil change shop attendant might suggest a new air filter. At a tune-up shop, a mechanic might suggest flushing the radiator. And a brake repair specialist might suggest new brake shoes in addition to the brake pads needed by the customer.

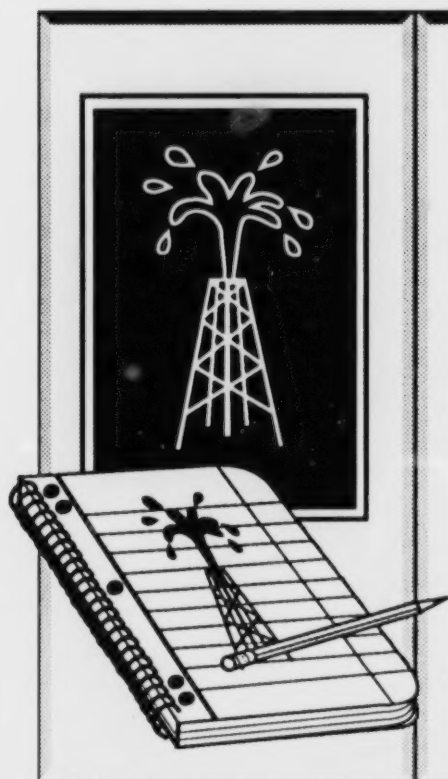
Summary

Petroleum marketing and convenience store companies want employees who are creative and innovative. They like to hear employees' suggestions because it is the employees, and usually not the managers or executives, who deal with the customers firsthand. It is therefore the employees who know best what it is that customers want most. In addition, an employee who makes suggestions that are enacted and who encourages store sales will

more likely get promoted to higher positions than the employee who has nothing to contribute to the business.

While the finer points of customer service and selling differ from petroleum marketers to convenience store operators, the basics are the same. Great customer ser-

vice—making the customer's trip to your store or shop as easy, helpful, and convenient as possible—is vital in today's competitive marketplace. Suggestion selling will help increase the average sale at any retail store. If you can't increase the number of customers, increase the sales to each customer.



3

Completing Sales Transactions

Objectives: After completing this assignment, you will be able to—

- know how to greet the customer, and explain why this is important;
- list several ways in which a customer may pay for a purchase, and describe change-making procedures;
- explain the proper method of bagging a customer's order; and
- identify what items a customer can and cannot buy with food stamps.

The sales transaction begins with a greeting designed to let customers know that they are welcome in your store and that you are available to provide speedy, accurate service. Processing the payment requires that the employee be well trained in cash register operation and store policies and procedures. Handling coupons and food stamps requires that the employee know and follow established guidelines so that the store doesn't lose money.

Greeting the Customer

Greeting the Customer in a Convenience Store

In a C-store, checkout is the only part of the customer's experience that is not self-service. You may be the only personal contact the customer has with the store and its

management. This is your last opportunity to sell, and it is your one chance to practice good customer service so that the customer will want to shop at your store again.

Three basic steps are used to greet a C-store customer. The first, and most essential step, is offering a sincere hello. If you know the customer's name, by all means use it. The friendlier you are, the more likely the customer will leave with a good impression of your store. Don't think of greeting as something you are forced to do, however. Your initial interaction with the customer should seem as natural as possible. A customer can easily detect any heaviness or boredom in your voice, and he or she could easily feel put off or offended by it. Be honest, be natural, and be yourself.

The second step in greeting is to ask if the customer found everything he or she wanted. You might say something like "Did you find everything you needed?" or "Did you find exactly what you wanted?" The value in this step is that it notifies the customer that you, and, by association, your store, are trying to help him or her as best you can. It may also result in another sale.

The last step in greeting a customer is to do suggestion selling by calling attention to specials, promotions, new items, or items that you think the customer may want. Examples of suggestion selling are "We're have a special promotion on two-liter bottles of Coke" or "You get the large bag of potato chips free with the purchase of two six-packs of soda today." Again, this is helpful to the customer, and it may also result in an unanticipated sale.



Keep the amount given by the customer on the money slab until after the change has been counted back to the customer.

By no means should you feel it necessary to always use all three steps when greeting a customer. If a customer seems to be in a hurry, for instance, a simple hello will do. Questions or statements beyond that may delay the customer, which could result in his or her becoming annoyed or frustrated. Remember, it is essential that the customer leaves your store feeling that he or she has been served well, efficiently, and without unnecessary hassle.

Greeting the Customer in a Full-Service Gas Station or a Specialty Automobile Service Shop

Greeting customers in a full-service gas station or a specialty automobile service shop is slightly different than greeting customers in convenience stores. Service stations and shops are not self-service enterprises: the mechanics or specialists do the work for the customer. Still, a sincere, friendly greeting is important.

After saying hello to a customer in your service station or shop, you

should ask what it is that the person needs. Something like "What can I do for you today?" or "How can I help you?" will do. Make sure you understand exactly what it is that the customer needs. Feel free to ask questions; your interest will please the customer, as well as allow you to do the job properly and efficiently. After you know what the customer wants, you should, if possible, do some suggestion selling. If the person is interested in getting his or her oil changed, for example, you might suggest new wiper blades or a general fluid check on the automobile.

Processing the Purchase

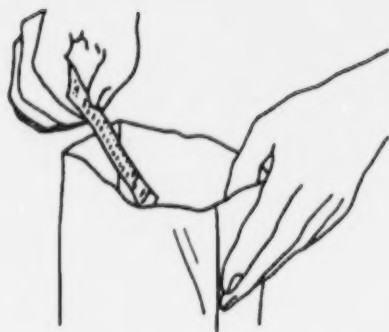
Ringling Up the Order

Recall that one of the basic reasons for coming to a C-store or a specialty automobile service shop is fast service. Short checkout line waits are one of the main reasons people shop at C-stores, so you must be careful to check the purchases quickly, make the necessary transaction, and let the customer be on his or her way. You must be care-

ful not to let a chatty customer keep you from checking out other customers and not to be too chatty yourself, especially if others are waiting in line. You may be friendly, but you should also be aware of other customers' immediate needs.

Each store has its own particular way of doing things. Your store will train you to handle customer transactions in a specific manner. The following information is very general and applies to nearly all stores. You must remember, however, that where there is a difference in recommended procedure, always follow the rules that your store recommends. Because of the great variety in types of cash registers, the procedure for ringing up an order will often differ from store to store. The basic steps, however, are the same:

1. One at a time, register the items on the counter or service invoice in the register.
2. Ask the customer, one more time, if there would be anything else, before totaling the sale.
3. Total the purchase, and announce to the customer what he or she owes for the purchase.
4. If the customer bought merchandise rather than services, bag the order.
5. Take his or her money, and place it on the register's **money slab**.
6. Give the customer his or her change.
7. Take the money resting on the money slab, place it in the change drawer, and close the drawer.
8. Thank the customer and give the transaction receipt to him or her.



Every customer must be given a receipt for the purchase. It is often best to drop it in the top of the bag.

It is important to take care when registering a person's order in a cash register. If you do it too quickly mistakes can easily be made. It is also very important to correct mistakes immediately and to notify the customer of the mistake.

Payment Methods

A customer may pay for a purchase in a number of ways: with cash, a check, a credit card, a money order, or a traveler's check, among others. Customers usually don't use cash when paying for expensive services or products, like the kind often made at service stations. Although you should follow your store's policy for transactions that involve any of the above means of payment, several general rules usually apply.

Cash. If the purchase is paid for in cash, as the great majority of purchases are in C-stores, you must always place the money received from the customer immediately on the money slab, which is the plate just above the change drawer, and keep it there until you have given the customer his or her change. In the event that a customer disputes

the amount of change you have given, you can easily point to the bill that you received, resting right on the money slab.

Check. Unless you know the customer well (and sometimes even then), when someone pays with a check you should verify that the check is drawn from a local bank and that the person who is writing the check is the same person whose name is on the check. One usually verifies this by looking at the customer's driver's license. Many C-stores and service stations and shops now have a machine that can instantly verify that the writer of the check has enough money in his or her account to cover the purchase.

Credit card. These purchases are similar to payments by check. Usually, the employee will swipe the card through a slot in either a box near the register or the register itself and then enter the amount of the purchase. The employee will then receive information from the credit card issuer as to whether or not the purchase has been approved.

Money orders and traveler's checks. Payments by these two methods are guaranteed by reliable banks or companies and should be treated like cash. You should also verify, however, that the person making the purchase is the same person to whom the money order or traveler's check was issued.

Making Change

After the customer has paid for his or her purchase, change must be given (if the customer paid cash). Most registers today will tell you the amount of change owed to the customer, although some don't. In this case, count upward from the

amount owed until you reach the amount given to you.

For example, if the bill was for \$3.37, and the customer gave you a five-dollar bill, you would say, "That's \$3.37 out of \$5.00," and give the customer three pennies, saying "That makes \$3.40," then one dime, "\$3.50," then two quarters, "\$3.75, \$4.00," and then one dollar, "And that's five dollars." Always remember to give the customer a receipt for his or her purchase after you count out the change. It is often most convenient to drop the receipt in the customer's bag.

Handling Coupons

Coupons today are a major promotional tool of manufacturers, particularly in the food marketing area. The manufacturer of the product specified in the coupon normally reimburses the store the value of the coupon plus a small

25¢ NOW SAVE 25¢
on your next purchase of one 24 oz. or two 12 or 18 oz. cartons
Tender Vittles
Johnson Cat Food



COUPONABLE: Please for each coupon use scissors and submit to the nearest business and home for return.
NO PURCHASE NECESSARY. For amount of cash value, see 75 handling, used to purchase Purina Company, P.O. Box 101, St. Louis, Missouri 63101. Coupon will be paid only if presented by a customer in the store of purchase. Coupon must be used by the end of the year of the issue. Retailer must submit to nearest business and home for return of coupon. Tender Vittles Company reserves the right to restrict coupons to certain stores and coupons received in other countries or states. This coupon is redeemable for cash value of 25¢. A.P.O. 1992. All other coupons must be submitted to nearest business and home for return. Cash redemption value 1/20 of 1¢.

25¢ 267 TV 267 G.R.P. Co. 1992
COUPON EXPIRES APRIL 30, 1994

Three things to look for on coupons are the expiration date, the exact amount of reduction, and the size and brand name of the product. (Courtesy of Ralston Purina Co.)

Words to Remember

coupon—any printed device that offers a "cents off" or discount on the purchase of a specified product; the manufacturer usually reimburses the company the value of the coupon

food stamps—coupons issued by the federal government to eligible low-income persons to use for food purchases

money order—a definite sum of money guaranteed by a reliable company or bank that resembles a check; to be treated like cash

money slab—a plastic or metal plate just above the change drawer on a cash register where the bills and coins are placed until the correct change has been given to the customer

traveler's check—a definite sum of money guaranteed by a reliable company or bank; to be treated like cash

handling fee. Stores do not make any money handling coupons, but coupons do entice customers to purchase products that they would normally not buy, which is beneficial to your store.

You should note several characteristics of a coupon. First, be sure that the coupon has not expired. The expiration date is generally clearly marked. Also, be sure that the customer has chosen the same product

brand and size that the coupon promotes. Coupons are like cash and should be processed according to your company's handling policies.

Handling Food Stamps

Food stamps are issued to eligible persons by the federal government. They are similar to U.S. currency in that each one has a face value for redemption. There are several important things you should know about accepting and handling food stamps. First, you may only accept them if your store is licensed to accept them.

The central objective of the federal food stamp program is to help low-income families maintain good nutrition. Therefore, some products cannot be purchased with food stamps:

- Alcohol (beer, wine, or spirits)
- Cigarettes or tobacco products
- Pet foods
- Any nonfood item

Prepared foods and beverages are usually not covered.

You cannot exchange food stamps for cash. The only exception is when you give cash—up to a maximum of 99 cents—as change for the unused part of a coupon given for a purchase. The customer must therefore try to give you stamps to the closest amount of the purchase.

Bagging the Order

In a service station or shop, there is often no product to bag, but in a convenience store bagging is an important part of the sales transaction. Unlike a supermarket, there are many small items and single-item purchases that may not need to be bagged in a C-store. However, you should always ask the customer



Form a solid base with heavy items or canned goods.



Pack the middle of the bag with bottles, meats, and boxed goods.



Pack lightweight and fragile items on top.

Packing a bag

if he or she would prefer that the purchase be bagged. Both paper and plastic sacks and bags are expensive items, so care should be taken to use a bag that is the right size for the purchase. It is generally worse to use one that is far too large than to use two smaller ones. If the purchase is large, and a large bag is called for, place heavy or solid items, such as canned goods, boxed goods, jars, and bottles, on the bottom. Place fragile, soft, or light things, such as bagged chips, eggs, baked goods, soft goods, and paper supplies, on top.

As an extra, and much appreciated, courtesy, you may offer to carry large, heavy bags to the customer's car. This should, however, be done in accordance with store policy. Many stores will not permit you to leave the register area if other customers are in the store.

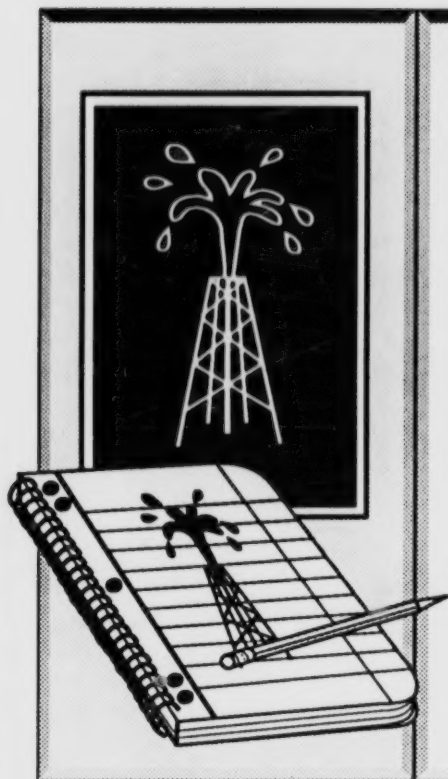
Summary

Greeting a customer in a sincere, friendly fashion is important in any business because it leaves the customer with a positive impression of the establishment, increasing the likelihood that he or she will shop there again. It also gives the employee a chance to do some suggestion selling.

An employee's first day behind a cash register can be very intimidating, but there is really little to be worried about if store procedures are followed correctly. Greeting the customer, taking money, giving change, and bagging orders are all part of the checkout operation.

CHECKING FOR UNDERSTANDING

1. Why is it always important to greet the customer?
2. Excluding the use of cash, what are four ways customers can pay for products or services?
3. You work at a C-store, and a customer buys a gallon of milk, a bag of chips, two cans of soda, some aspirin, a candy bar, and three cans of vegetables. How do you bag these items?
4. Which of the following items can a person buy with food stamps? (a) gasoline, (b) bread, (c) potato chips, (d) apple juice, (e) soda, (f) a chocolate bar, (g) cigarettes, (h) ice cream, (i) a prepared, packaged sandwich.
5. A customer has made a purchase of \$4.33 and hands you a ten-dollar bill. How do you give the customer his or her change?



4

Safety and Personal and Store Security

Objectives: After completing this assignment, you will be able to—

- explain the importance of "safety-consciousness";
- list the safety precautions to be taken while working near the gasoline pump island or service bay;
- name five things a robber or burglar looks for when "casing" a particular store; and
- tell what precautions an employee should take during a robbery.

Emloyees in all areas of petroleum marketing must be aware of the many potential problems that can occur on the job. Harm can come to you, your customers, and the store through accidents, unsafe conditions, fires, and theft.

Safety

Safety is not a set of dos and don'ts. Safety is an attitude and a habit. It is not something you do once in a while or when you think of it. Safety is a constant awareness and something you practice all the time. You become **safety-conscious** out of training and the development of a safe attitude. Accidents are irreversible—they cannot be undone. Safety awareness should become such a habit that you know the safety rules and practice them constantly.

As an employee, you have these responsibilities:

- Know and observe all rules concerning safe practices during all types of operations.
- Know the protective equipment to wear during certain operations, such as safety goggles, gloves, shoes, or weight-lifting belts.
- Know the emergency procedures to follow in case of danger or accident.
- Know the location of all fire extinguishers and first-aid kits, and how to use them.

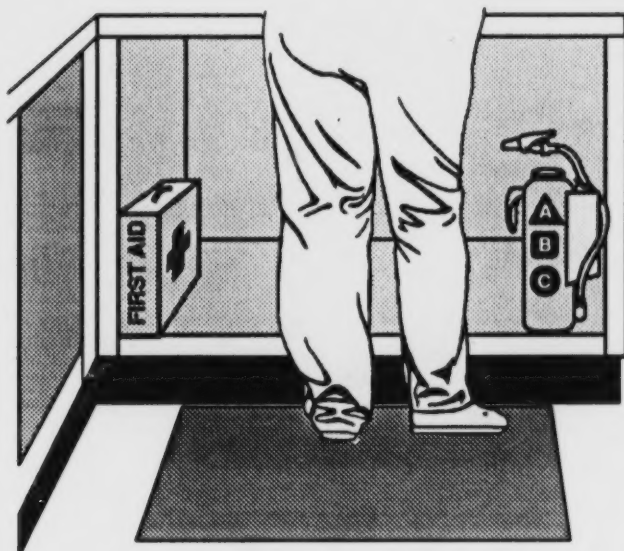
The petroleum marketing business is full of hazards because of the nature of the materials, tools, and equipment used. But if you recognize where the dangers are and recognize that safety is your constant 24-hour concern, then you can go

about your work freely and with self-confidence.

Accidents

Preventing accidents before they can happen is generally the best safety rule. Maintaining a clean, well-lit store is one of the best ways to prevent accidents. Cluttered and wet floors are a leading cause of slips and falls among both store employees and customers.

Spills should be mopped up immediately, and leaks that can't be fixed by an employee should be reported as soon as they are noticed. In any case, customers should not be allowed to cross wet or cluttered areas of the store. It is to the store's advantage, therefore, to fix these problems as soon as they occur. If a customer cannot reach a product



Always know the location of the first-aid kit and fire extinguisher.



Cluttered or wet floors are a leading cause of slips and falls.

that he or she needs because the floor is wet, cluttered, or blocked off, the store loses a sale and possibly a good customer.

One can also prevent accidents by following all procedures for store tasks and safety guidelines carefully. Some important safety guidelines, which would apply particularly to full-service gas stations, C-stores, and specialty automobile service shops, follow.

Pump Island Area

- Always observe the "no smoking" rule.
- See that all pump hoses are safely out of the way when not in use.
- Remove any tools, equipment, or other objects from the driveway or pump island area that could trip or injure either employees or customers.
- Be sure that the pump island is well-lighted.
- Report immediately any damaged or inoperable equipment connected with the fuel pumps, hoses, connectors, nozzles, or shutoff devices.
- Put gasoline only into approved containers or fuel tanks of vehicles.

Safety in the General Service of Vehicles

- Make sure a hood will remain in an upright position before you release it.
- Never try to work in or around the radiator or front part of the engine with the engine running.
- Make sure that the emergency brake is engaged to prevent a vehicle from moving when you are working underneath it or under the hood.
- Always clean up oil and gas spills immediately.

- Do not let the engine run on a vehicle in a closed service bay unless you have a proper hose connection to the tail pipe exhaust system.
- Report faulty equipment immediately.
- Keep all tools in their proper place.
- Use extreme caution when operating a hoist lift: be sure not to overload it, do not let anyone walk under the vehicle while it is being hoisted, and never rock a vehicle while on a hoist lift.

Fire Safety

Fire is always a special problem around petroleum products. Fires can start easily around automobiles, either from spilled gasoline or from electrical shorts. You should know how to dispose of wastes, oily rags, solvents, and similar materials that can cause combustion. Keep these fire-safety tips in mind:

- Report or discontinue use of a gasoline pump that leaks.
- Never pour gasolines, solvents, alcohol, or other combustible liquids into a sewer or drain.
- Observe, and be sure that others observe, the "no smoking" rule at gasoline pumps.
- Know the location of all fire-fighting equipment and how to use it.
- Never allow gasoline containers inside the store, empty or full, as "empty" containers still contain explosive vapors.

In case of fire, you should know what to do immediately. Follow these rules:

- Call the fire department immediately, or have someone call while you try to extinguish the fire.

- A fire in or around a vehicle should be put out immediately. If the fire spreads rapidly and is out of control, get everyone away from the burning vehicle and into a safe place.
- A gasoline fire must be extinguished at its base, using a dry chemical extinguisher that smothers the flame. Use a rapid side-to-side motion to put the flame completely out. If you don't, the fire will start again.
- Never use water on any fire unless it is burning trash, paper, wood, or grass.
- Once the fire is out or under control, call your store's insurance company and give a complete report.

First Aid and Medical Emergencies

It is a good idea to have at least one person on duty at all times who knows how to render first aid. It is also a good investment for every employee to know basic first-aid techniques and to have taken an approved course offered by the American Red Cross or a similar organization.

Employees must always know the location of first aid kits and make sure that the kits are adequately supplied. Return a first-aid kit to its proper place after each use. It is no use knowing where the kit is usually kept if the last person using it did not put it back in its proper place.



Always extinguish a gasoline fire using a chemical extinguisher in a side-to-side motion.



Burglars, robbers, vendors, and shoplifters are leading causes of losses for petroleum marketers.

Many injuries that occur in convenience stores, gas stations, automotive specialty shops, and auto parts stores are minor and can be treated on the spot, such as cuts, minor burns, or abrasions. It is important to treat injuries as soon as possible in order to avoid infection or further inflammation. However, when serious injuries occur, they must be treated immediately with competent medical attention.

Personal and Store Security

Burglary and Robbery

C-stores have many sources of losses. Bad checks, shoplifting, vendor theft, employee theft, burglary, and robbery all contribute to large

losses that eat into profits. A **burglary** occurs when money, merchandise, or property is taken after breaking and entering. Of even greater concern is the possibility of serious injury (or even death) to both store employees and customers during a **robbery**. Just as prevention is the first step in avoiding accidents, it is also the first step in stopping burglaries, robberies, and shoplifting.

A burglar or robber will "case" a particular C-store that looks like an inviting target. He or she will look for several things, including:

- A safe, cash register, and large sums of money that may be left out or unlocked

- Cash registers that are kept relatively full of cash
- Bank deposits that are made on regular schedules
- Any property that is fairly small and can be easily disposed of for money, such as calculators, television sets, microwave ovens, jewelry, and radios
- A store that has poor lighting inside and out
- Outside windows without protective bars or grates, skylights on the roof, fire escape ladders, wooden outside doors, and poor visibility around sides and back of store building
- No evidence of any alarm system

Many C-stores are beefing up security as a way of deterring burglary and robbery. This is especially vital now: a 1993 study showed that C-store robberies have been on the increase across the United States. Several states, in an effort to prevent further break-ins or robberies, are now requiring C-stores to install certain security systems, such as video cameras and silent alarms. Some chains even hire armed guards to patrol their stores.

One way to deter crime is to welcome police officers as frequent customers. If a potential robber notices law enforcement officials there often, do you think he or she is likely to hit your store? Customers, too, are safety-conscious. If a customer feels unsafe in a particular store, that customer will likely find another C-store at which to shop.

A robber is interested only in money and small valuables that can be quickly converted to cash. A robber must do two things to be suc-

cessful: (1) enter and leave quickly and (2) be unidentified. Anything you can do to aid quick exit and to keep calm is in your favor. In other words, don't do anything to slow down or excite the robber. Obey the robber's commands quickly and cooperatively. Remember that your own personal safety depends largely on your own actions.

Here are things you can do to prevent a robber from making your store an easy target:

- Keep cash and checks separated. If a robber takes both, the checks will be destroyed and are a total loss to the store.
- Keep your eyes open and alert to anyone who loiters around the store or remains inside but is not making any selections or purchases. Slip away and make a call to the police that you have a suspicious person inside the store or loitering outside.
- Keep "bait" money in the register drawer. A "baited" bill is a marked bill whose serial number has been recorded. These few bills are kept inside and

may be helpful in identifying and apprehending the robber later on.

- Make yourself observe everything you can about the robber's person—hair color; type and color of clothing; skin color; height; noticeable tattoos or scars; direction headed when leaving, on foot or in a car; type, color, and license number of car; or anything else you may have noticed. Immediately after the robber leaves, call the police and begin jotting down your observations.
- A camera mounted above the register is a great deterrent. The robber has no way of knowing whether the camera is recording the scene and where it may be monitored. Most robbers are not willing to take the risk. A monitor in clear view of customers is also a good deterrent when used with a remote VCR at all times.

Shoplifting

While full-service gas stations and

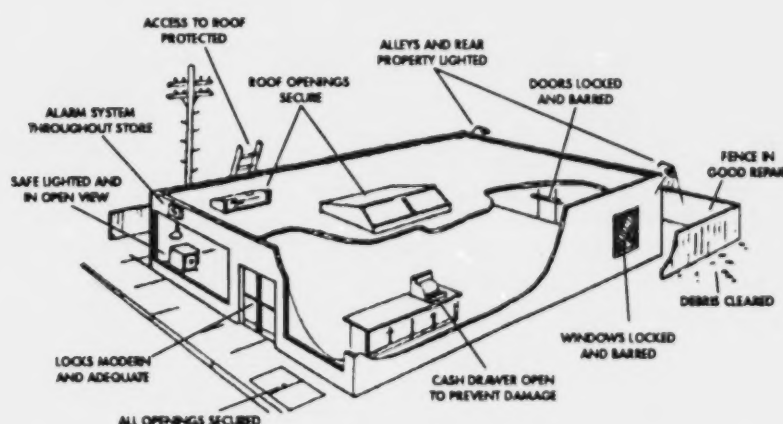
specialty automobile shops are not particularly inviting to shoplifters, C-stores and auto parts stores are. **Shoplifting** is generally defined as a theft of *merchandise* by a customer or nonemployee, whereas a theft of *money* would be a robbery or burglary. A shoplifter may purchase some items, but have other items that are hidden and not paid for.

Shoplifters can be anyone. There are no age, sex, or income restrictions. As with burglary and robbery, prevention is the best deterrent to loss through shoplifting. You can do a number of things to help deter potential theft by removing the opportunity.

The best way to prevent shoplifting is to be alert and observant all the time. A favorite trick of shoplifters is to distract attention away from the theft at the time it happens. Many work in teams or pairs, where one person distracts the clerk's attention while the other hides merchandise on the body or in a bag or handbag.

Be observant of anyone who appears to be intentionally out of the clerk's line of sight. Shoplifters are seldom smooth and subtle in their actions. Most will look around to see if they are being watched. This is a tip-off that the person is at least thinking about the action.

Keep small items near the front and in easy view of the checkout counter. Candy, gum, cigarettes, batteries, jewelry items, electronic goods, film, and similar items need to be near the front. Health and beauty aids and many auto parts are generally small in size and expensive. These need to be displayed where they can be seen from the checkstand.



Burglary prevention measures. (Courtesy of Sports Retailer, published by National Sporting Goods Assn., Chicago, Ill.)



Words to Remember

bait—a slang term that refers to money that has been marked so that, if stolen, it can be helpful in identifying the robber

burglary—the taking of money, merchandise, or property from a store after breaking and entering

case—a slang term that refers to the act of visually inspecting a business to see if it is a likely target for a break-in or robbery during business hours

robbery—the taking of money, merchandise, or property from a person by force or threat of physical violence

safety-conscious—having an ongoing awareness of safety guidelines and the constant practice of these guidelines

shoplifting—the taking of merchandise by a customer or nonemployee

Greet each person who enters. Recognition and awareness of people in the store is not only good customer service, but also a deterrent to shoplifting.

When you see a person who acts suspicious or seems to be avoiding being seen, approach the person and offer assistance.

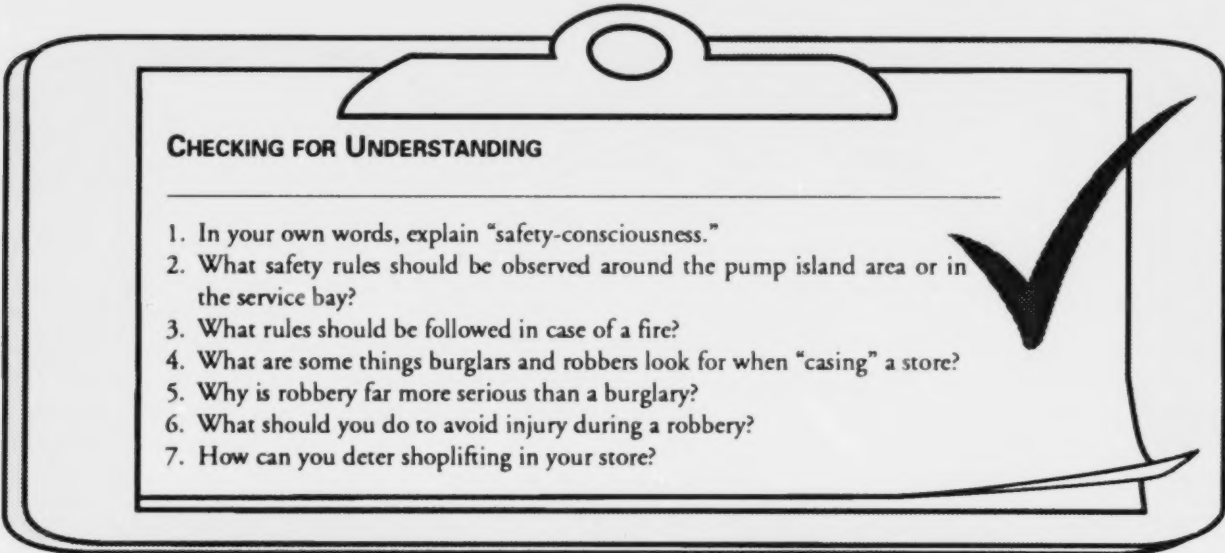
Be particularly observant of anyone entering with a parcel, sack, extra large handbag, shopping bag, or magazine rolled up. Even an umbrella on a rainy day makes a good hiding place for merchandise.

Each store has different rules about handling a person who is suspected of shoplifting. Technically, the person has not stolen anything until he or she is outside the store. If you know that a person dropped an item in a

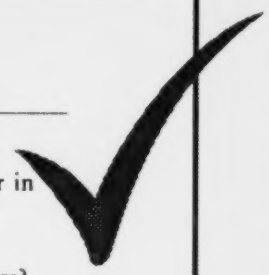
pocket or handbag and did not pay for it, you can simply say, "Did you wish to pay for that package of gum?" That allows the person to pay and avoids your having to apprehend the person outside. It also tells the person that your store is not a good place for shoplifting.

Summary

In the petroleum marketing business, safety-consciousness is paramount. People can be hurt and damage can be done to your store very easily if steps aren't taken to prevent accidents from happening before they occur. An additional danger to your store and yourself are burglars, robbers, and shoplifters. There are also many effective ways to prevent theft from your store. If, however, a robbery does occur, follow the robber's directions carefully and calmly: your safety should always come first.

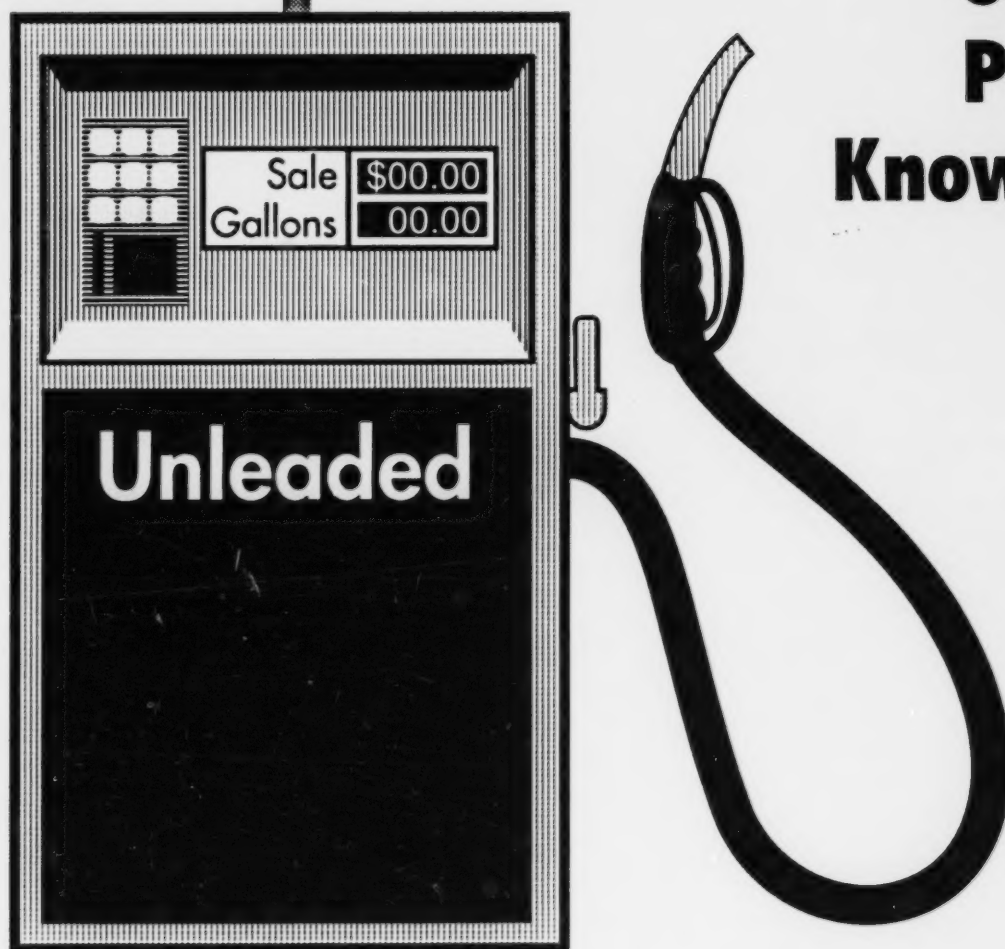


CHECKING FOR UNDERSTANDING

1. In your own words, explain "safety-consciousness."
 2. What safety rules should be observed around the pump island area or in the service bay?
 3. What rules should be followed in case of a fire?
 4. What are some things burglars and robbers look for when "casing" a store?
 5. Why is robbery far more serious than a burglary?
 6. What should you do to avoid injury during a robbery?
 7. How can you deter shoplifting in your store?
- 

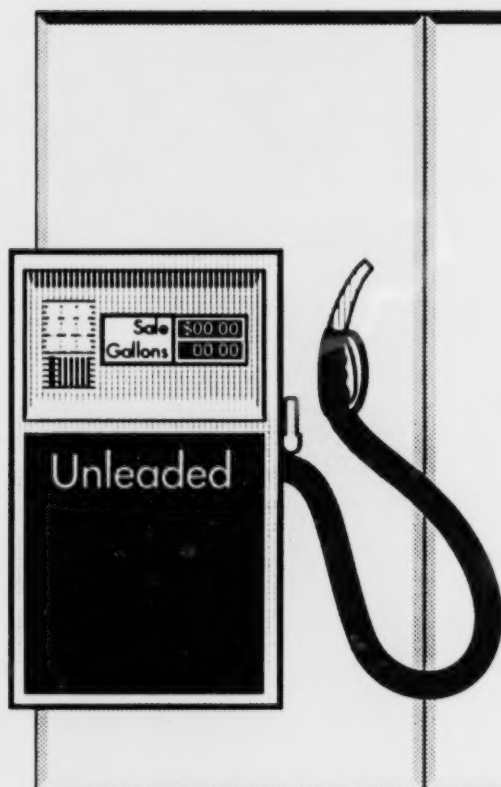
PART II

Gaining Product Knowledge



5

Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas



Objectives: After completing this assignment, you will be able to—

- name three qualities that gasoline should have to be an efficient motor fuel;
- explain what *octane rating* means and how it affects engine performance;
- tell how diesel engines and fuels differ from gasoline engines and fuels; and
- explain why liquefied petroleum gas and compressed natural gas are good fuel alternatives to gasoline.

Almost all of today's automobiles are powered by an internal-combustion engine that uses either gasoline or diesel fuel. An internal-combustion engine uses an enclosed cylinder and a piston to generate power. A mixture of air and gasoline is drawn into the top of the cylinder and is compressed. A spark ignites the mixture, which then burns rapidly. As it burns, it expands and pushes against the piston. All of the power inside an engine comes from this compressing-igniting-burning-expanding process.

Gasoline

Source of Gasoline

Gasoline is a product made from crude oil and used as a fuel in most automobiles. In the refinery, the crude is broken down, providing

many different products, including kerosene, jet fuels, home heating oils, liquefied petroleum gas, lubricating oils, motor oils, greases, and wax.

In the catalyst where crude is broken down, gasoline is at the top as the lightest form of the mixture. This is raw gasoline, and other compounds are later added to make it acceptable as a motor fuel.

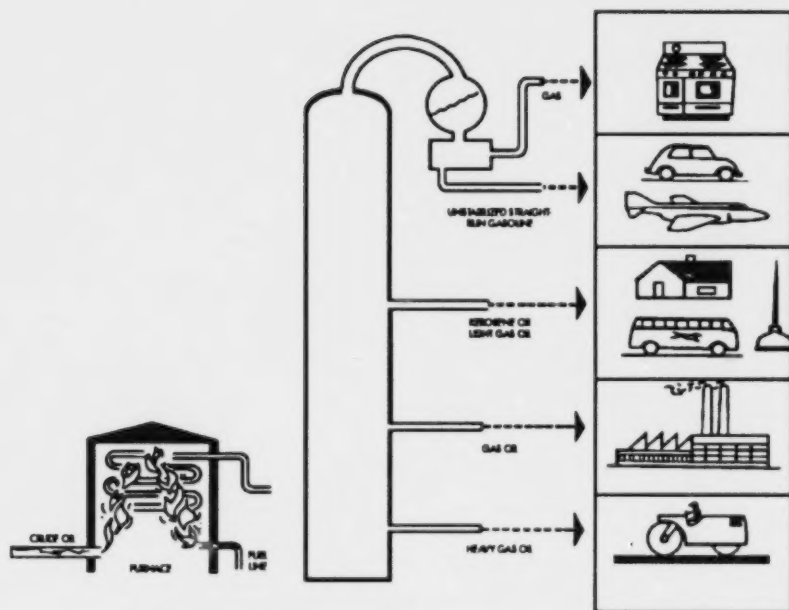
Qualities of a Good Gasoline

One quality that makes gasoline a good motor fuel is that it vaporizes rapidly. To properly use gasoline as a fuel, the gasoline engine is equipped with a carburetor, which takes liquid gasoline and mixes it with air. This turns it into the vapor needed by the engine. A gasoline must be able to vaporize rapidly in cold weather and have a retarded vaporizing

action in hot weather. In cold weather, the chilled air slows down the vaporizing and helps create ice crystals. This ice can form in the carburetor, blocking the flow of the proper air-gasoline mixture into the cylinders. In hot weather, the gasoline must not vaporize too quickly. If it does, vapor lock occurs, and the engine will fail to start.

Good gasolines should not form gummy residues. Because all gasoline comes from crude oil, it has a tendency to form a sort of gum or varnish on the metal surfaces it touches. Added detergents help the gasoline clean metal parts and retard gumming.

A good gasoline should also promote rapid starting and fast engine warm-up. The faster the engine turns over and starts, the less electri-



Gasolines and diesel fuels come from crude oils. They are drawn off near the top of the refining process.

cal drain on the storage battery. The faster the warm-up, the more efficient the engine uses the energy from the gasoline. A "cold" engine uses more gasoline because it requires a richer mixture of gasoline and air. Much of this mixture does not burn up and forms what is called blow-by. In **blow-by**, the mixture enters the crankcase and dilutes lubricating oils.

Gasoline has several properties that make it a good choice for a motor fuel:

1. Gasoline vaporizes quickly to create rapid burning.
2. Rapid burning creates heat, which causes expansion, which develops power.
3. The energy developed is extremely economical—when you consider the work it must do.
4. Improved qualities in refining and chemicals added to raw gasoline make it act as a self-

cleaner to all internal engine parts.

Octane Rating

One of the most important qualities of a gasoline is its **octane rating**. The term *octane* is a laboratory measurement expressed in numbers that determine a gasoline's anti-knock quality. When an engine is running hot, it is put under strain, or is under rapid acceleration, you will hear a knock or ping in the engine. What is happening is that the gasoline-air mixture is firing too quickly—producing the knock or ping in the cylinders. Occasional knocking does not cause engine damage, but a sustained knocking often indicates that a higher octane gasoline is needed.

Many people think that the higher the octane the better the quality, but this is not true. The octane rating refers only to anti-knock quality. There is no advan-

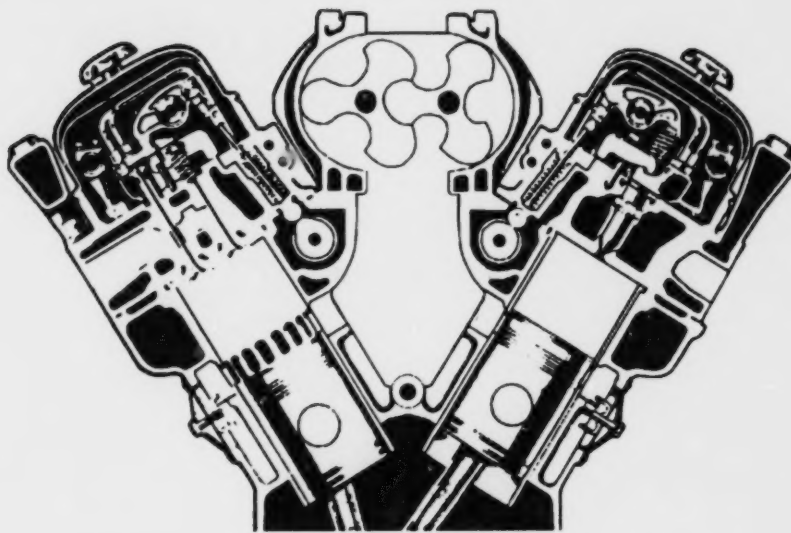
tage in using a gasoline of a higher octane than the engine requires. Another common misconception is that higher octane gasolines are more powerful. Again, octane refers only to antiknock quality. It has nothing to do with the ability of the gasoline to vaporize. Higher octane gasolines are often needed in powerful, high performance automobiles, but this is only because engines in high performance cars will knock without it. Generally, premium gasolines have the highest octane rating because these are made for high compression and high performance engines. Regular gasolines have medium-range octane numbers and are the most widely used in most of today's engines.

Gasoline Additives

Gasoline additives must be combined with raw gasoline to make it suitable for use in today's automobile engines. While it is not necessary to tell a customer about each of the additives, this knowledge can lead to a selling point for customers who complain about price or who think all gasolines are alike regardless of brand name. All gasolines are not alike. Cheaper motor fuels may not have many of the additives and often have a lower octane rating. If the customer complains that gasoline at your station is a penny or two more expensive per gallon than at the station down the street, simply ask if he or she can afford extensive engine repairs from using the lower-quality fuels.

These are some common additives and their uses:

1. Tetraethyl lead—antiknock-ing compounds
2. Deposit modifier—retards deposit buildup in the combustion chamber and on the spark plug



Because the fuel system is more complex than in gasoline engines, diesel fuels must be clean and free-flowing and have the proper cetane number.

3. Antioxidant—combats the gum or varnish formation that forms on surfaces touched by gasoline
4. Copper-fighting agent—deactivates copper particles, which cause rapid oxidation and gum and sludge deposits
5. Antirust agent—retards rust
6. Anti-icing agent—an anti-freeze that arrests the formation of ice in the carburetor and fuel lines (which could cause stalling)
7. Detergent—cleans delicate moving parts in the carburetor
8. Upper cylinder lubricant—found in better grades of gasoline, this helps prevent ring and valve sticking
9. Dye—colors the gasoline (raw gasoline is clear) to identify it

Diesel Fuels

Automobiles that run on **diesel fuel** are desirable because diesel fuel may be less expensive than gasoline

and often provides better gas mileage. A diesel engine—once thought of only for heavy machinery and big trucks—differs from the regular gasoline engine in the fuel used and the combustion. The gasoline engine uses a spark plug to ignite the fuel mixture, while the diesel engine ignites the fuel strictly by compression and heat.

Because diesel fuel, which is thicker and heavier than gasoline, is injected into each cylinder by a pump rather than through the conventional carburetor, it must have three important qualities: (1) it must burn cleanly, (2) it must be free-flowing at all temperatures, and (3) it must have the proper cetane number. It must be clean in order not to clog the injection system, hindering the movement of the fuel. It must be free-flowing at all temperatures in order to move freely through the injection system. The **cetane number** refers to the ease at which the fuel will ignite in the combustion chamber. In lower tem-

peratures, diesel fuels may not have desirable quick starting and fast warm-up abilities. The higher the cetane number, the better the starting capacity of the fuel. However, like octane in gasoline, there is no benefit in using a cetane number higher than that called for by the engine.

Like gasoline, diesel fuel is derived from crude oil. And because crude oil comes in different qualities, so does the diesel fuel made from it. Additives are combined with diesel fuels to improve performance and efficiency and include these:

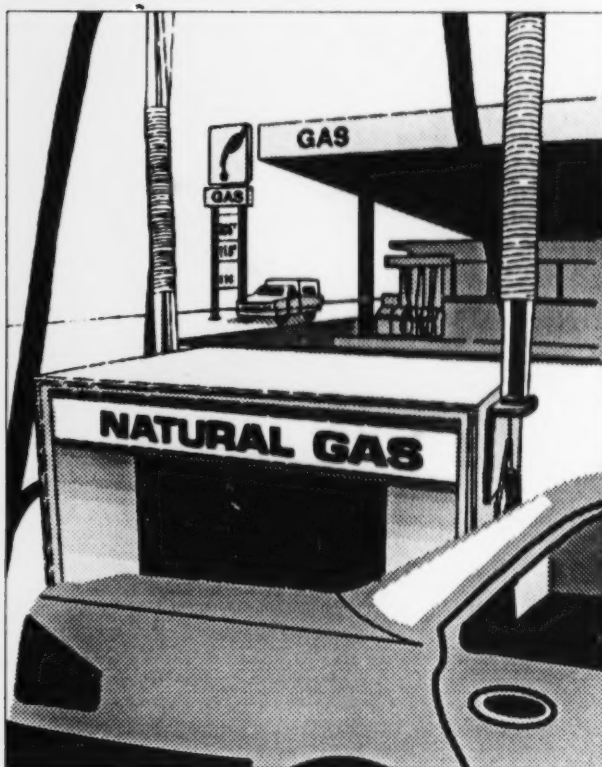
1. Cetane—aids combustion in lower temperatures
2. Oxidation retarder—prevents deterioration during storage and the formation of gums and sludge
3. Detergent—prevents fouling and clogging of the fuel injectors and pumps
4. Rust preventive—prevents moisture from clogging and ruining precision parts
5. Smoke suppressant—controls the amount of smoke from the exhaust system
6. Dye—changes color of the fuel for identification purposes

Warning!

One of the biggest disadvantages of having different pumps and grades of motor fuel in one station is that the wrong fuel may be dispensed. Never put gasoline into a tank designed for diesel—or diesel fuel into a gasoline tank. As soon as either engine is started, a great deal of mechanical damage has already been done!

Other Fuel Alternatives

Liquefied petroleum gas, or LPG, is actually a mixture of several



A service station that sells natural gas

gases, the most present of which are propane and butane. LPG is made commercially at refineries and is a petroleum product. It is stored under very high pressure to keep it in liquid form (it has a very low boiling point, and when it boils, it evaporates). LPG, although still rarely used as fuel in today's automobiles, is a good source of fuel for four reasons:

1. It is very efficient and causes little pollution.
2. It burns cleanly, leaving little residue that can damage the engine.
3. It doesn't dilute lubricants.
4. It has a high octane rating.

Compressed natural gas, or CNG, is another gas used today as a

fuel in some engines. It is an abundant and efficient source of energy. Use of natural gas, especially in fleets of buses and trucks in cities, is increasing rapidly.

The Clean Air Act Amendments of 1990 have placed tighter restrictions on automobile emissions, and many are finding that liquefied petroleum gas and compressed natural gas are good alternatives to more environmentally harmful gasolines.

Summary

While the great majority of automobiles in the United States still use gasoline, increasing pressures to conserve energy, keep costs down,

Words to Remember

blow-by—the leakage of a rich gasoline-air mixture into the crankcase of a gasoline-powered engine that results in the dilution of lubricants

cetane number—a rating that expresses the starting capacity of diesel fuels

compressed natural gas (CNG)—a cheaper, cleaner-burning fuel than gasoline

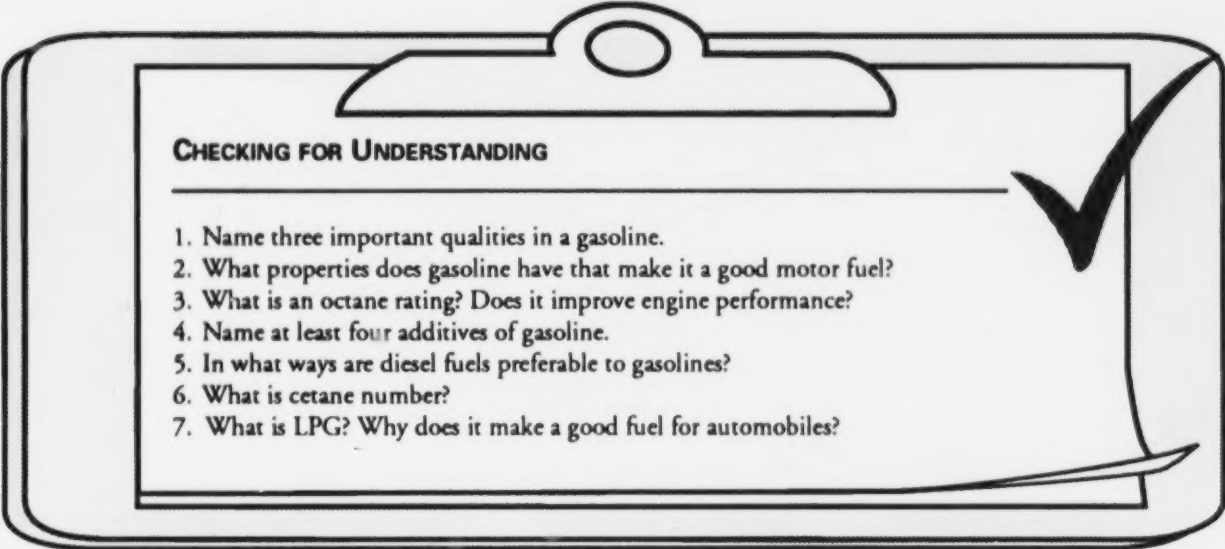
diesel fuel—a motor fuel derived from crude oil that is thicker and heavier than gasoline

gasoline—a product derived from crude oil used as a fuel in most automobiles

liquefied petroleum gas (LPG)—a mixture of gases used as an efficient motor fuel

octane rating—a number that expresses the antiknock quality of a motor fuel

and control the release of harmful pollutants to the atmosphere are leading many automobile manufacturers to develop vehicles that use other sources of fuel. Today cars can use diesel fuels, LPG, and CNG.

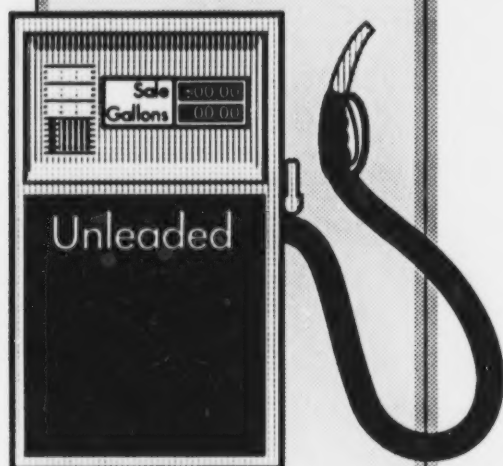


CHECKING FOR UNDERSTANDING

1. Name three important qualities in a gasoline.
2. What properties does gasoline have that make it a good motor fuel?
3. What is an octane rating? Does it improve engine performance?
4. Name at least four additives of gasoline.
5. In what ways are diesel fuels preferable to gasolines?
6. What is cetane number?
7. What is LPG? Why does it make a good fuel for automobiles?

6

Selling Motor Oils and Replacement Filters



Objectives: After completing this assignment, you will be able to—

- explain why automobiles need frequent oil changes;
- list the functions of motor oils;
- explain the oil classification system;
- explain why motor oil needs to be sold rather than left to impulse buying; and
- tell why attitude and confidence are so important in selling motor oil.

Today's automobiles do not work at full capacity. That is, the engine never reaches its maximum horsepower output, and it seldom gets to the proper operating temperature. Most trips are short ones—less than 10 miles. At this short distance, the engine is running "cold." The carburetor is using a rich mixture, which results in sooty residue and exhaust. Because the engine never gets very hot, the oil remains sluggish, and some parts may not get enough lubrication.

Facts about Motor Oil

A large majority of today's automobiles operate at low speeds as well. This is the kind of service that wears out engines faster than any other. The only solution is a good lubricating oil that stands up to the

pressures, strains, and demands of the engine. Also, that oil must be changed at regular intervals. For these reasons, **motor oils** must do the following.

Provide easy starting. The engine's starter turns its crankshaft, as well as the alternator, fan, air-conditioning compressor, and steering and brake pumps. At low temperatures, the oil has thickened and settled, so starting is much harder. Today's oils must remain fluid and flow freely at all temperatures.

Lubricate. Metal against metal—even with the hardest metals—will wear quickly, and friction can build up so fast that the metal surfaces would melt and stick together. A thin film of oil must adhere to the metal surfaces and prevent metal-to-

metal contact. It must not thin out at high temperatures nor thicken when the engine is cold.

Protect. One of the unwanted by-products of gasoline combustion is water. When the engine is cold, condensation forms more readily on cylinder walls and in the carburetor. When mixed with combustible gases, water condensation forms acids, which attack the metal parts within the combustion chamber, pistons, rings, valves, and cylinder walls. Oil must offer protection against these corrosive acids. It does this by bonding a thin film of oil to all metal surfaces that are exposed to corrosion.

Clean. A good oil has detergents that keep **contaminants**—rust, corrosion, sludge, varnish, and acids—in suspension until they are

removed by the **oil filter**. As the filter fills up with contaminants, the oil will get saturated and dirty so that it is no longer providing proper engine care. This is why it is essential to have oil and filter changes at the recommended intervals. Unless changed when needed, the oil is doing more harm than good.

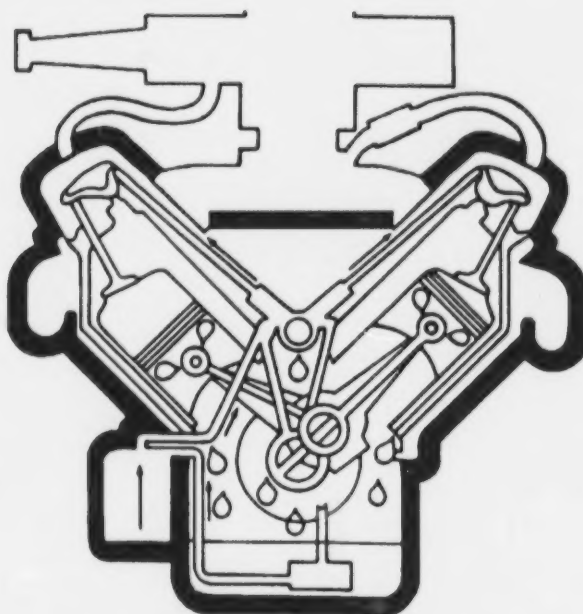
Seal. Metal parts can only be machined to certain tolerances or clearances. Regardless of how close they are, there is still a space between the parts where acids, water, and gases can ruin the metal surfaces. Oil must provide a seal to shut out a great portion of these contaminants.

Cool. Oil is also a coolant. By keeping it moving constantly, the oil is helping to take away heat from bearings and other vital parts. While the engine's cooling system takes away most of the heat the engine generates, oil also carries away a considerable amount of heat (about 40% of it).

Motor Oil Coding Systems

In helping the customer select the right oil, you must first consider the oil viscosity. **Viscosity** means the ability of the oil to remain stable under heat and pressure. A second consideration is the lubrication service required by the engine.

The earliest attempts to classify and identify motor oils began when automobiles were first produced and sold in this country. Viscosity was considered to be the most valuable measure of the quality of an oil—even in the early days when engines were fairly simple. In those days, oils were classified as light, medium, and heavy weights. Over the years, as



A motor oil must lubricate, protect, clean, seal, cool, and give easy starting.

TABLE 1
Guide to SAE Grades

<i>Lowest Expected Temperature</i>	<i>Multigrades</i>
32°F (0°C)	10W-30, 10W-40, 10W-50, 20W-40, 20W-50
0°F (-18°C) down to below 0°F	10W-30, 10W-40, 5W-20, 5W-30, 5W-40

new and improved motor oils were developed more and more quickly, the classification system grew ever more confusing.

The most popular motor oils used in today's automobiles are shown in table 1. SAE stands for the Society of Automotive Engineers, which designed this classification system.

An oil classification with two numbers indicates that the oil is a

multigrade oil, which means that it performs well under a wide range of temperatures. All the oils listed in table 1 are multigrade oils. Single-grade oils are rarely used in automobiles today.

Both sets of numbers in each multigrade oil rating have to do with the oil's viscosity rating. The lower the number, the more fluid the oil is, making these grades good for colder weather. The first number

tells you the range of the oil's performance in cold weather. The "W" stands for winter, not weight as many people think. A "W" indicates that the oil will function well in temperatures as low as 0°F (10W grades) or below (5W grades). (Thinner, 0W grade oils are now being developed for cars that are operating in the coldest of climates.)

The second number is the oil's viscosity level in warmer temperatures. Remember, the higher the number, the thicker the oil. Someone who lives in a very hot climate will need a 30 or 40 grade oil that will remain thick enough to lubricate the engine at very hot temperatures.

In the past, the properties of a particular kind of oil could be found on a symbol known as the American Petroleum Institute "doughnut," which indicated the oil's viscosity, quality, and gas mileage formulations. In 1993, however, a new, easier-to-understand symbol was introduced: the "starburst" symbol. The starburst will appear on all oils that meet only the most current standards recommended by the International Lubricant Standardization and Approval Committee, making your job much easier. Previously, keeping up with the latest specifications and quality improvements in motor oil had been mind-boggling. Currently, the starburst appears on only two grades of motor oil, SAE 5W-30 and SAE 10W-30, both of which are suitable for use in most engines year-round.

Facts about Oil Filters

Oil filters are the most often replaced filters in an automobile. They should be changed each time

the oil is changed. Without a new oil filter, new oil in an automobile does little good.

The purpose of the oil filter is to remove as much dirt, moisture, and contaminants from the oil as possible. Almost all of today's cars circulate oil using the full-flow system. In this system, the oil is filtered each time the oil circulates. The filter element (that is, the device that actually does the filtering) is sealed inside the housing and screws onto the side of the engine block—usually on the lower front side. The filter and housing are a single unit and are disposed of together.

Most modern filters are made of a special paper that is coated to prevent soaking. This paper is pleated so that the filtering surface is greatly increased. Microscopic holes trap much of the dirt, foreign matter, and sludge. If the filter is used long enough, the holes fill completely and will no longer allow the oil to pass through. A relief valve opens and lets the oil pass through the system so that the engine does not lose its lubrication. However, because the oil is not being cleaned, it is not doing its job, and engine wear is greatly increased.

Why Change Filters?

Filters wear out. Even though the owner's manual may not be specific, you can give your customer three good reasons for replacing the oil filter each time the oil is changed.

- If you change oil but not the filter, you are circulating dirty oil inside your engine. The filter housing retains about 1 pint of oil. When you put clean oil in the crankcase and start the engine, the dirty oil mixes with the new, clean oil.

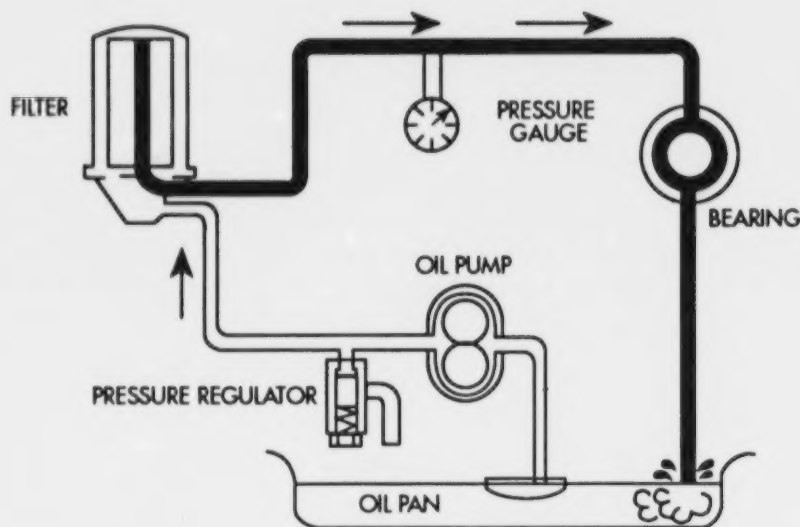


The API "doughnut" symbol and the new ILSAC "starburst" symbol

- A filter only lasts so long. When it gets clogged with dirt and sludge, the dirty oil continues to circulate. An oil filter is only effective for about 4,000 to 5,000 miles. Under extremely dirty or dusty conditions, or in sandy areas, the filter should be changed more often.
- Oil filters are inexpensive. For only a few dollars more, your customer can have the assurance that his or her engine will have clean lubricating oil and damage will be greatly reduced.

Selling Motor Oils and Filters

In shops that specialize in oil changes (Quick Lubes and Jiffy Lubes, for example), the employee seldom has to work hard to make a sale: the customer has come in specifically for an oil change. However, full-service gas stations



In a full-flow system, all of the oil is filtered with each complete circulation.

also offer many opportunities for a sale. Even in convenience stores and auto parts stores, you can suggest that the do-it-yourself customer buy some oil or a filter for a future oil change. It is in some ways unfortunate that many retailers of motor oil have taken a self-service approach. Customers should not be left to decide which oil they need, or when they need it. Unless prompted and reminded, customers tend to put off oil changes, and their automobile is damaged as a result.

The Right Attitude

The first full-service gas stations were called "filling stations." The vintage automobile pulled up to the pump because it usually needed gasoline, perhaps a quart of oil, and nearly always water in the radiator. Besides taking care of those needs, it was always a good idea to add air to the tires.

Later, they became known as "service stations," because all kinds of

services were sold to the customer as well as many auto-related products. It was service that attracted and held customers. The more service and the better services provided, the more customers. (This is also true in other industries today. For example, the "superstores" that many grocery chains are now opening offer a huge range of services.)

In recent times, petroleum marketers have specialized, leaving the customer to take care of his or her own automobile. The reasons are many. Labor became more expensive, and self-service cuts down on labor. Newer models of automobiles required less servicing—longer periods between oil changes, fewer parts to lubricate, and less maintenance work. Specialty shops and auto parts stores are also popular because they are price competitive.

The truth is, too few customers are taking care of their automobiles, which is probably the most expen-

sive piece of machinery they own. All this proves a point about personal selling. Self-service does not serve the customer. People still need to be "sold" products and services. When consumers are left to decide for themselves, needed products and services are usually forgotten or put off too long. You can't ignore an automobile or motor vehicle and expect it to perform satisfactorily. If needed services are put off too long, expensive repairs and needless inconvenience result.

Selling has always been and always will be a matter of the right attitude. What is the right attitude? It means that you have a product that the customer both needs and wants. People still need to be sold on products that are necessary for their lifestyle and well-being. In modern America, the automobile is no longer a luxury. For most people, it is a necessity for basic transportation.

Selling Requires Confidence

The surest way to win and hold customers is to sell good, necessary products with confidence. Confidence comes from knowing your products and being able to recommend the right product. If you know your product, what it will do, when it is needed, and how it assists in the overall maintenance and operation of the automobile, then you can sell to anyone.

Confidence helps you make the approach, determine needs, answer questions, handle objections, and close the sale satisfactorily. If you know your product and what it will do, then you can feel good about your job of selling. The first part of this assignment presented technical information on motor oils and oil filters, what they do, and their per-

formance characteristics. But why should you sell, and how should you do it?

Who Are Your Customers?

Every person who owns, leases, rents, or drives an automobile needs a motor oil, and all motor oil must be changed at one time or another. So, even though oil or an oil change may not be needed today, it will be within a short time. Motor oil can be bought at any time, even though it is not needed immediately.

There are several ways to determine if a quart of oil or even an oil change is needed. Most full-service station customers only come to the station to refuel. Few check under the hood themselves. The reason is simple...it's hard to reach in under the hood and take out the oil dipstick without getting your hands or clothing dirty.

You are performing a valuable service whenever you ask any driver about an oil change. Ask when the last change was made, and ask if he or she would like you to check the oil. If the dipstick indicates that oil is needed, suggest that the customer purchase a quart or two immediately. Also ask about an oil change. One of the best indicators is mileage. Most manufacturers recommend that oil be changed every 3,000 to 5,000 miles. The automobile's owner's guide will specify the mileage. Time is another good indicator. If the oil hasn't been changed in more than six months, an oil change is most likely needed. Also, if the oil on the dipstick is very dirty or black, you can be sure that a change is necessary.

Customers will buy motor oil and have it changed if they are given

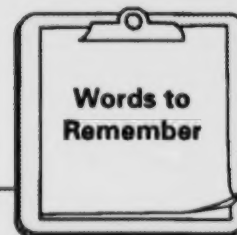
good sound reasons for doing so. Here are four ways to recommend an oil purchase or change.

- Suggest a change today if the date, mileage, or appearance of the oil seems to indicate one is needed.
- If the customer is in a hurry and cannot take the time now, make an appointment. Give reasons for changing. Tell the customer what happens to the engine when the oil gets dirty, diluted with moisture, or filled with contaminants.
- For the customer who is looking at a motor oil display, ask a direct question, "Have you checked your car's oil lately? It may need a change."
- For the do-it-yourselfer, suggest oil today for a later need. Special prices, sale event, season changes, and vacation travel are all good times and reasons to suggest a motor oil purchase. You may also suggest an oil change pan, filter wrench, filter, and pour spout.

Sales Strategy

Most beginning salespeople are reluctant to approach customers and ask them to buy. Many are too shy, reluctant, or unsure about the customer's reaction. To combat these natural feelings, you should recognize two facts. (1) You can talk about your product if you know enough about it. (2) Every customer in your place of business is there to buy something. Just merge these two facts, and you have the strategy for selling.

Remember, in addition to motor oil, you are selling service. Let customers know that you are interested in their needs and in keeping their cars in top condition. Regular oil



Words to Remember

contaminant—an undesirable element that soils, stains, corrupts, or infects another element or a system

full-flow system—way of circulating motor oil in which all of the oil is filtered with each complete circulation

motor oil—a product made from crude oil used to lubricate, seal, protect, and cool an automobile's engine

multigrade motor oil—a motor oil that performs well under a variety of temperatures

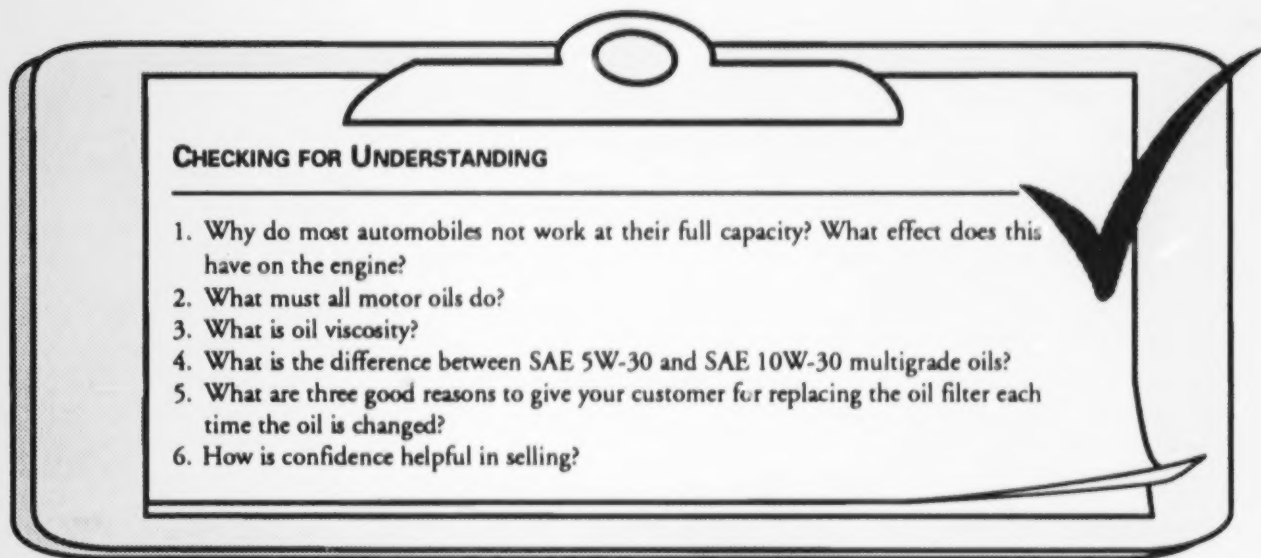
oil filter—a device that filters out contaminants from the oil in an automobile

viscosity—in oil, the ability to remain stable under heat and pressure

changes and lubrication are absolutely essential to good mechanical condition and good performance. Even in convenience stores, employees explain to customers what their cars may need, which might easily lead to sales.

A Final Reminder

Every product mentioned in this assignment is absolutely essential to the efficient operation and maintenance of the automobile. You are not asking the customer to buy frills or fad merchandise. You are not sell-



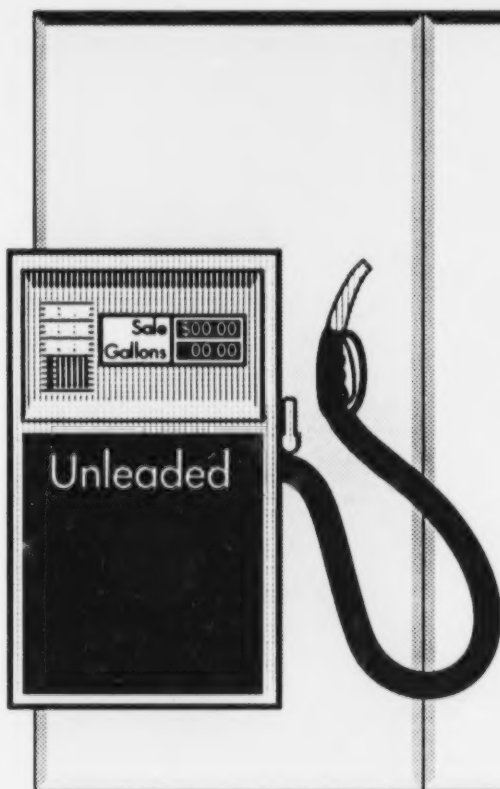
ing luxuries or suggesting items that can be done without. You are selling service, and you are doing a customer a favor by calling his or her attention to a real need.

Summary

Motor oil is an absolutely essential product to every automobile. As it circulates throughout parts of the engine, it must lubricate, seal, protect, cool, and clean

the engine, as well as provide for easy starting. However, a good motor oil is useless without a relatively clean oil filter—without a clean filter, you are simply circulating dirty oil.

Your understanding of why motor oil and oil filters are factors that affect an automobile's performance, and your confidence in this knowledge, is your most important selling tool.



7

Selling Tires and Batteries

Objectives: After completing this assignment, you will be able to—

- explain why it is important to understand the function of an automobile part in order to sell that automobile part; and
- explain the function of and inspection routine for tires and batteries.

Selling tires and batteries can be a highly profitable part of service stations and automobile specialty service shops. Customers will be more likely to purchase tires or batteries from you when you confidently explain the situation. Knowing the terminology and showing the customer the wear or damage will instill the customer's confidence in your competence, resulting in a satisfied, repeat customer.

Tires

The single most important item you can sell is tires, which account for more sales than any other major car accessory. To be able to sell tires, you must know all about them, how they are made, the sizes, types, designs, measurements, uses, and expected wear factors. Selling tires

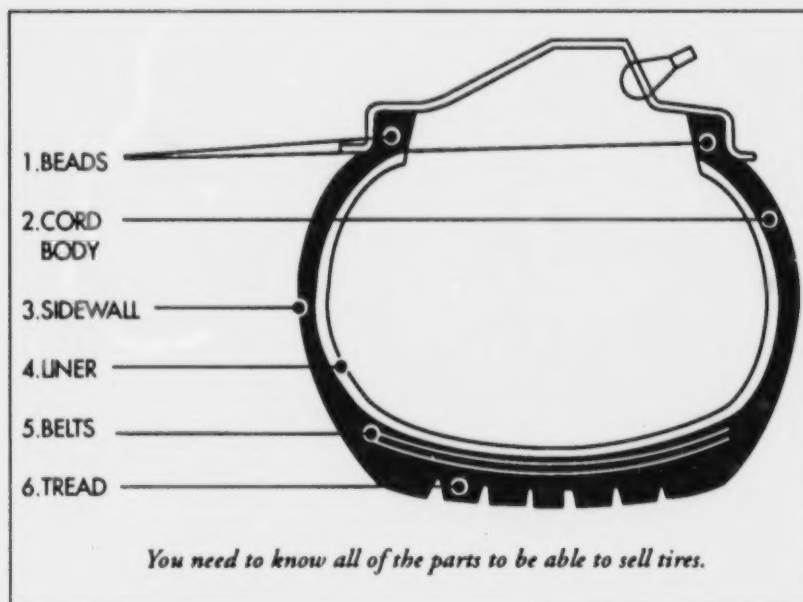
requires extensive product knowledge. This assignment will give you the basic information on tire construction, types, sizes, materials, and other related technical facts.

Basic Facts about Tires

In a typical tire, six parts are important. Tire **beads** are strands of high-tensile wire. When the tire rotates in travel, especially at high speed, the rotation has a tendency to throw the tire off the rim of the wheel. The beads hold the tire shoulder tightly to the rim. The cord body is made up of layers or plies of rubber-impregnated fabric. **Plies** can be of rayon, nylon, or polyester. The plies give strength to flex and help prevent sidewall damage. The sidewalls of the tire must be flexible while holding in the excessive pressure and heat. All of the strain is on the sidewall; it must

carry the load weight, flex, absorb shocks, run cool, resist cuts and abrasions, and not crack under extreme weather conditions. The **liner** is a thin layer of special rubber applied to the inside of the first layer of ply of fabric. Its main purpose is to create an airtight seal and keep the pressure inside the tire.

The **tread** is the part of the tire that makes direct contact with the road. Tread designs vary as to tread depths. Treads are molded into a series of ribs and grooves to give traction in rain, snow, and mud. They are designed to throw water away from the road so that the tread will make contact. Otherwise, **hydroplaning**, where the tire actually floats on water, will take place. Finally, the belts of a tire are stabilizers located underneath the tread. The **belts** reinforce the tread and



greatly increase its life. They also reduce punctures, prevent bruises, improve tire movement so that squirming action does not create excessive tire wear, and improve traction by keeping the tread ribs on the road surface.

Almost all passenger car tires sold today are radial tires. In older types of tires (bias-ply and bias-belted), the plies of cord fabric ran at about a 35-degree angle from one bead to the opposite bead. Radial tires, which gained popularity in the 1970s, have ply cords that run radially around the tire, or at a 90-degree angle from bead to bead. The radial tire is a great improvement over bias-ply and belted-ply tires in mileage and traction, particularly on curves and cornering.

Most tires today are sized metrically. Metric tire sizing came about because of the influx of foreign cars into this country. Nearly all Japanese, German, French, Italian, Swedish, and other foreign car makers use a metric size system. A sam-

ple tire size in this system would be P175/70R13. The first letter, P, stands for passenger tire, 175 means the sidewall width in millimeters, and 70 is the tire aspect ratio, or the percentage of the height compared to the width. In this case, the tire height is 70 percent of the width. R stands for radial, and 13 means the tire fits a 13-inch diameter wheel.

Tire Stress

The automobile tire is a remarkable product in both technology and price when you consider what it must go through. No other part of the automobile takes as much stress and strain as do the tires. Each tire carries at least one-fourth the weight of the car (and more during turns). For example, if a car weighs 4,000 pounds, each tire is carrying 1,000 pounds of weight. The tire must stand the pressures of high-speed driving, where the rapid turning of the tire constantly throws it out of round; high heat from friction; a pounding by rocks, holes, bumps, and every other kind of obstruction found on roads; and scuffing against

curbs. The tire must also hold the road and corner well when the road is wet and give traction on ice and snow. It must withstand all extremes of weather without losing its flexibility and traction.

Every tire sold in the United States is now assigned three grades, concerning treadwear, traction, and temperature. Tests administered according to U.S. government standards determine each tire's grades. A typical treadwear grading would be 150. This means that this tire would wear one and a half times as well on the government course as a tire graded 100. Therefore, the higher the treadwear grade, the better. Both traction and temperature grades are A, B, and C. In both cases, A is the highest score, and C is the lowest. A tire must have scored at least a C in order to be marketed. The traction grade is based on the car's ability to stop on wet pavement. The tire's resistance to the buildup of heat and its ability to release heat are the criteria for temperature grading. Two things to remember, though, are that the traction grade does not measure the car's ability to maintain good traction when making turns and that the government temperature tests were made on properly inflated tires. An over- or underinflated tire can cause a higher generation of heat.

Selling Tires

Automobile tires are sold in many locations and types of businesses. The two largest distributors are service stations and the retail tire and automobile specialty stores. Tires are also sold in department stores, in service centers, and by mass merchandisers. The method you use to sell tires will depend largely on where you are selling them.

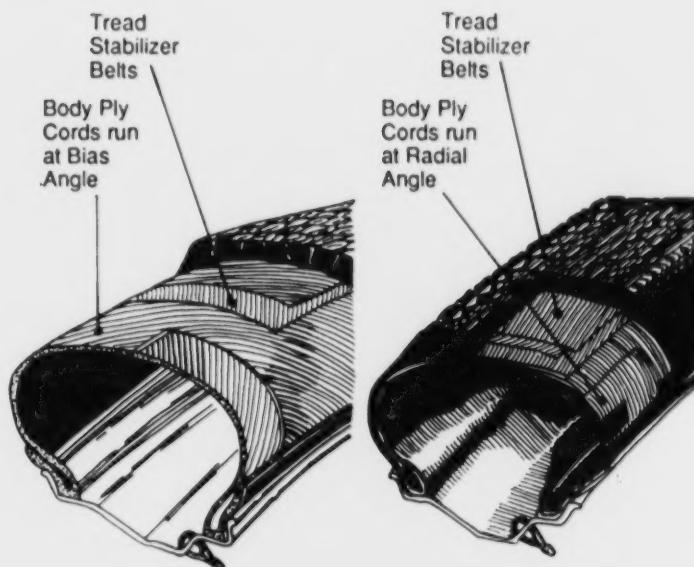
More than \$12 billion worth of tires are shipped by manufacturers each year, which makes tire selling a very important competency. You can sell tires easily if—

- you know your product;
- you know where and how to look for tire needs; and
- you know how to appeal to the customer's needs.

One main fact to remember in learning to sell tires is that most cars driven today need at least one replacement tire, which gives you a tremendous number of potential sales. Most customers just don't realize that they need a new tire. Those who work in an auto parts store or department store may never see the customer's car. The service station attendant has a great advantage because he or she can physically point out the customer's need. This is the first step in selling tires: *observing the need*. On all tires today, the manufacturer must mold wear indicators into the tread design. When the tread wears to a depth of 2/32 inch, there will be a straight line across the tread area. This is the visual indicator that the tread is too worn to be considered safe. When the tire is this thin, there is a very high chance that it will blow out within a short period of time.

Underinflation and overinflation are common, and the results are obvious on the tire treads. When a tire is overinflated, it rounds out the tread area so it does not make a flat, full contact with the road. The center of the tread wears down, leaving the outer tread looking normal. The tire is in danger of a blowout or puncture within a short time.

Underinflation is the most common occurrence. Radial tires look



Compare the older, bias-belted tire on the left with the newer, radial-ply tire on the right.

low most of the time, even when inflated to the proper pressure. Customers get accustomed to seeing tires with a low profile, so they seldom bother to check and air up the tire. As a result, most tires on vehicles today are underinflated, which causes the center of the tread to bow inward, letting the outside tread wear down. Again the tire is in danger of failure within a short time.

Shoulder and tread separation is easily seen, particularly on the outer surface. You will observe a separation line between the sidewall and the tread, or you will see large pieces of rubber missing and the fabric cord showing through. This tire is extremely dangerous and should not be driven. Faulty wheel alignment can cause the tread to cup and dish out small hollow pockets of tread. The edges of the tread ribs will look very sharp, and the wear will be uneven. If caught early enough, the tire can be saved by rotation to

another wheel and by correcting the wheel alignment. If the tire is too worn, it will probably fail within a short time and should be replaced.

A flat tire that has been brought in for service may prove to be in need of replacement. A tire can look good on the outside, yet have a severe cut, bruise, or crack on the inside that cannot be adequately repaired. A patch may hold for a short while, but the tire will fail when it gets hot or is run at highway speeds.

Your second step in selling tires, after observing the need, is *showing the customer the need*. You cannot expect your customer to know his or her tire needs. Most motorists do not inspect their automobiles, even periodically. Few inspect them on a regular basis. Many will drive on dangerous tires, not knowing that the tires are candidates for failure. You are doing your customer a real



Effects of tire inflation

service by pointing out suspicious places or areas where the tire failure is likely to occur. Unless you do, the need will not be known until it is too late. Show and tell is the best axiom for selling tires. Simply tell the customer that you have observed a faulty tire, and ask to show it to him or her.

- "Are you aware that your left front tire has a shoulder separation? Come, let me show you."
- "Do you check your air pressure regularly? Your tires are under-inflated, and they are showing excessive wear. Let me show you what I mean."
- "Do you know how many miles you have on these tires? The wear indicators are showing on two of them. Let me show you."

The third step is *finding out the replacement need*. To do so with the customer's best interests in mind, you need to ask some questions.

- Find out the customer's driving habits. Is the car driven mostly in town or on the highway? What kinds of speeds does the driver usually maintain? And about how many miles a year does the customer drive the car?
- Find out the customer's greatest area of concern. Is the customer more concerned with safety, economy, appearance, affordability, or ride and comfort?
- Find out if any unusual uses of

the vehicle—towing a trailer, traveling into outdoor areas or off-road terrain, or hauling heavy loads—would require additional tire values.

After finding out the customer's main tire needs, take the time to explain the features and benefits of the tires you offer. The reason for studying tire construction is to be able to show and explain the hidden features and benefits of a tire. It is recommended that you always show your best-quality tire first. Never assume that the customer only wants the cheapest tire he or she can purchase. Even for economy-minded customers, the best quality is usually the lowest cost in the long run. Stress values and economy when priced by expected mileage. When you show your best, you know you can feel good about the customer's selecting it. If the customer cannot or will not consider the very best, then you have room to come to your middle line and still be able to recommend a good value tire. Your low-end tires should be reserved only for those to whom the lowest possible price is all they will consider.

The last step in selling tires is the most difficult one: *closing the sale*. Most sales are lost at this step because the salesperson often does not ask for the order, and leaves the final decision up to the customer.

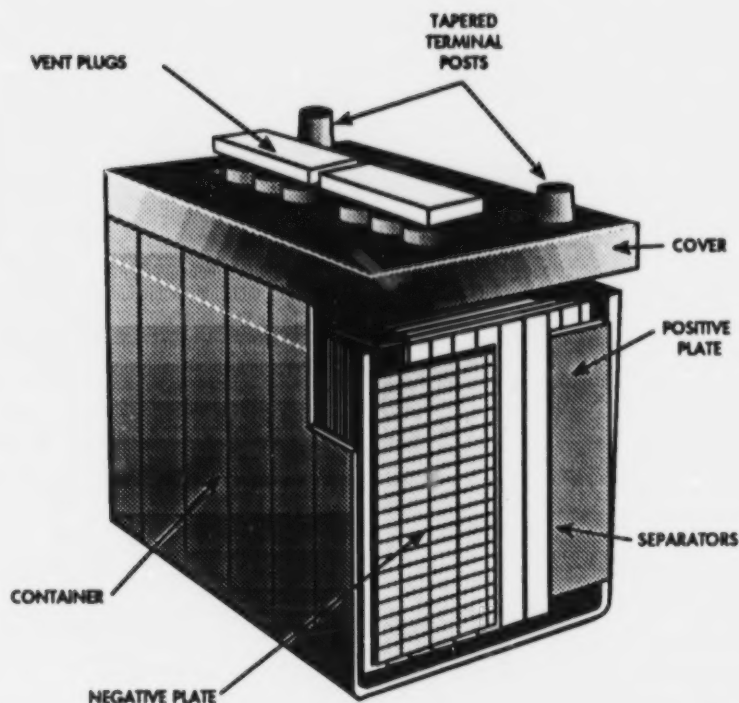
The longer you let a customer study about it or mull it over, the less chance that a buying decision will be made. When given time to think, these are some of the thoughts that go through the customer's mind.

- "Two hundred dollars is just too much to pay right now."
- "Maybe I can get by another month or two before I have to buy a new tire."
- "This is totally unexpected. I just don't know how I can manage right now."
- "I'll shop around. I'm sure I can buy somewhere else and get some cheaper tires."

Customers left to their own decision making will usually reason why they should delay a purchase rather than make one now. You must give them reasons—good, solid reasons—for buying now. Stress safety. Stress easy payment terms. Stress convenience—riding on safe tires without worrying about flats or blowouts.

Batteries

All motor vehicles must have electrical energy to operate. The electrical energy is supplied by an alternator or generator and a battery. The **battery** is necessary to operate the electrical system until the engine is turning over at enough speed so that the alternator or generator can take over.



Knowing the parts of a battery will help you service and sell them.

Facts about Batteries

A battery must supply large amounts of electricity at given times. For example, the battery must first crank the engine to start it. It must operate the ignition system when the engine first starts. It must operate the lights, radio, and blower fan; honk the horn; and light the gauges on the dash. It must operate the windshield wipers and make the cigarette lighter glow red hot. When you think about it, there are many electrical demands in the average automobile and truck. As more electrical accessories are added, larger and more powerful batteries are needed.

How the Battery Works

First, a battery does not store electricity. It stores chemical energy that is converted to electricity. Electro-

lyte, an acid-water solution, circulates within the battery between positively and negatively charged plates. When a switch is turned on in the auto's electrical system, an external circuit that terminates at the battery is formed. The instant that the battery is called on to supply an electrical current, the acid-water solution turns into a compound called lead sulfate, drawing current from the galvanic action between metals. In other words, when a circuit is completed that ends at the battery, the battery instantly converts stored chemical energy into electrical current.

Why can't batteries be made to last forever, or at least for the life of the automobile? Your customers will probably ask that question or ones like it. When a battery is called on to supply electrical current, the acid in the electrolyte is weakened by a small amount.

Words to Remember

battery—in an automobile, a device that stores chemical energy that is converted to electricity used to turn over the engine and operate a car's electrical systems until the engine's alternator or generator can take over

beads—strands of high-tensile strength steel wire molded into a tire's body that hold a tire tightly to the rim and add strength to it

belts—the stabilizing part of the tire located underneath the tread used to reinforce the tread and increase its life

electrolyte—an acid-water solution that circulates in the battery to turn chemical energy into electrical current

hydroplaning—a dangerous condition in which the tire actually floats on water instead of making direct contact with the road

liner—a thin layer of special rubber applied to the inside of the first layer of the tire to create an airtight seal and keep the pressure inside the tire

plies—in a tire, rubber-impregnated fabric layers, made of rayon, nylon, or polyester, that are on top of one another and located in the body of a tire to give strength to flex and help prevent sidewall damage

tread—the part of the tire that makes direct contact with the road, molded into ribs and grooves to give traction in rain, snow, and mud

The constant activity between the plates also decomposes some of the plates. With each use, then, the battery loses some of its original power and strength. The strength of the battery is measured by the specific gravity of the electrolyte solution and can be checked with a hydrometer or with capacity load test equipment.

How a Battery Is Charged

Obviously, a battery that constantly discharged but could never be recharged would soon fail. Here is the way that the battery receives a longer life through a recharge circuit.

1. The car door is opened, and the switch turns on the dome light. The battery supplies current, or discharges.
2. The ignition key turns on the ignition switch to start the engine. The starter motor draws a high rate of current from the battery, or heavy discharge.
3. When the engine starts, the ignition system must draw enough current to fire each spark plug. This is another power drain on the battery.
4. If the headlights, radio, blower fan on heater or air conditioner, or other accessories are operating, these are additional heavy power drains on the battery's capacity.
5. At slow speed, the engine is turning over a low number of revolutions per minute, and drive belts are turning the alternator or generator. At low speed, the alternator is producing partial electrical current for the operation of the ignition and accessories, but the battery is having to supply the rest of it. A voltage regulator tells the battery how much current it must supply.

6. As the car moves faster and gets up to about 30 miles per hour, the alternator and generator are producing all of the current needs. The battery is resting.
7. At higher speed, the alternator is generating current faster than needed, so some of the current can be returned to the battery.
8. In stop-and-go city driving, the engine never quite develops full generating capacity on the alternator or generator. The battery is called on constantly to fill the electrical system.

So, depending on their use, two identical batteries will last different periods of time before dying. A battery used mostly for highway driving will last much longer than one used mostly for city driving.

Selling Batteries

From routine inspection and servicing, you can tell if a battery needs replacement. Assume that your customer is not aware of the battery's true condition. It is your duty to tell the customer that a replacement battery is needed and why. These are symptoms of a failing battery:

1. Engine is hard to start. It takes several cranks each time.
2. Lights dim if engine is idling.
3. There is a hesitation in starting.
4. Fuses blow out often.
5. Blower fan slows down when engine idles.

When a customer indicates that he or she is having any of the above problems, you should make an inspection of the battery to determine if that is the problem. Poor maintenance and heavy corrosion buildup show that a battery has had little care. In addition, if it is exces-

sively dirty, corroded, and crusted with oil and dirt, you can assume that it has had little care or maintenance.

When cold weather begins, batteries can fail because cold weather makes engine cranking much harder. For example, a fully charged battery at 32°F has only 65 percent of its available power. The thickening of motor oil in cold weather also makes the engine harder to crank.

When recommending the purchase of a battery to a customer, make sure to recommend the right size and capacity. Most batteries are sold by the number of months of guarantee. Some batteries are guaranteed for the life of the car. The longer the guarantee, the more capacity the battery has to generate power. You should recommend a battery that will take care of the engine size and the load put on it. A strong battery is needed for accessories such as air conditioning, CB radio, and stereo or tape unit, and for pulling a trailer or other load with additional lighting.

Summary

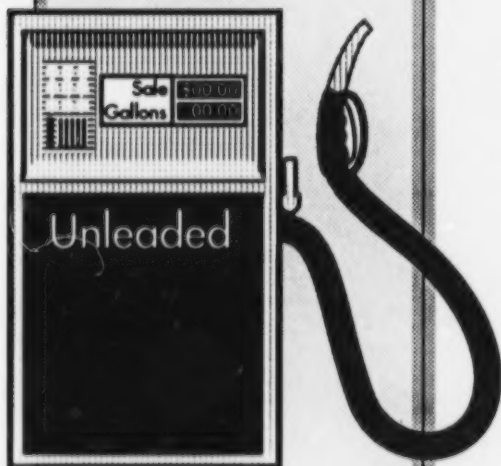
A good approach to selling automotive tires and batteries is to (1) identify the problem, (2) relate to the customer the function of the faulty part and the need for a replacement, and (3) close the sale. To identify the problem, you must be aware of what symptoms to look for. To tell the customer about the part and its replacement need, you have to have solid knowledge of the product's usefulness and function. And to close the sale, you must have confidence in your assessment. You cannot expect to be an effective salesperson without an understanding of these steps and of the tires and batteries you sell.

CHECKING FOR UNDERSTANDING

1. Why is it necessary to understand the function of an automobile part in order to sell it?
2. Briefly describe the function of automobile tires.
3. Briefly describe the function of the battery.
4. List two symptoms of faulty tires.
5. List two symptoms of a faulty battery.

8

Selling Replacement Parts



Objectives: After completing this assignment, you will be able to—

- explain why it is important to understand the function of an automobile part in order to sell that automobile part; and
- explain the function of and inspection routine for—
 - shock absorbers;
 - spark plugs;
 - lights and electrical accessories;
 - the muffler and exhaust system;
 - hoses and drive belts; and
 - wiper blades.

Automobile parts can be the most difficult or the easiest automobile product sales to make. Some auto parts may be in dire need of replacement, but the symptoms of these faulty parts are so subtle that the customer may not be aware of the replacement need until it is too late. In other cases, such as a faulty muffler, the symptoms are all too obvious, and the customer will likely ask for the problem to be corrected as soon as is possible.

In either case, your most important selling tool is *product knowledge*—that is, your firm understanding of what a part's function is, how it works, and what symptoms indicate that an accessory may soon fail. This assignment is structured to give you a thumbnail

sketch of an automobile's accessory systems, how they work, and how to identify potential problems.

Selling Automobile Replacement Parts

In addition to tires and batteries, there are a host of other parts that an automobile needs to run safely and efficiently. Many car parts work in conjunction with one another: if one fails, others are likely to fail as well. For example, worn shock absorbers can cause improper wheel alignment, which will wear down tire tread. Hence, it is important to keep on top of any replacement part needs your customer's car has.

This assignment is designed to give you a brief description of the more common replacement parts a customer's automobile might need.

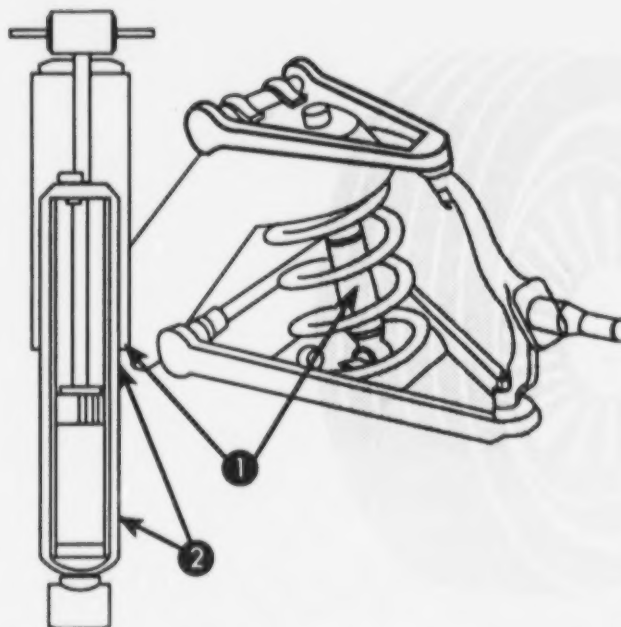
Shock Absorbers

Controlling the movement of the car springs, **shock absorbers** act to dampen the up-and-down movement of the wheel on rough roads and uneven pavement. When an automobile hits a bump or hole, the wheels rise off the road's surface. There are strong springs that resist the shock, but the springs will continue to bounce unless the shock absorber removes the force. The shock absorbers' main function is to keep all four wheels on the road. They resist the motion of the car's wheels and frame. Without them, the strong spring action would slap the wheel back on the road. The jar would be transferred to the car's frame and body, and passengers would experience an extremely bumpy, uneven, harsh ride.

One end of the shock absorber is attached to the frame or chassis of the vehicle, and the other end is attached to the wheel axle. The shock absorber piston is actually two cylinders in one housing. It is called a two-tube shock absorber design, and it works by hydraulic action. **Hydraulic** means the use of fluid to move or resist movement. In the shock absorber, oil is used to resist movement. The shock absorber is a dual-movement device because it must adjust itself for low-speed and high-speed conditions. When the car is moving slowly, the bumps are smoother and easier. The valves in the piston open freely, letting the oil flow from the piston to the reserve chamber. But in high-speed driving, the wheels are moving quickly in an up-and-down motion. The valves must keep the fluid in the chamber to resist the shocks. In normal driving, there are almost 1,000 up-and-down movements per minute.

If you are pumping air with an ordinary bicycle pump, you can observe a similar action. When you pump slowly, there is little resistance and the movement is easy. But as you pump faster, the resistance builds quickly, and it is more difficult to make a complete cycle without hard pressure.

If a steel ball on a rubber band is dropped into an empty cylinder, the steel ball would rebound sharply at the end of the drop. However, if you filled the cylinder with oil and dropped the ball, the oil would absorb the weight and let the ball sink slowly to the end of its drop. This is the same principle that a shock absorber uses to control movement.



(1) Force of bump is taken up by the spring which is controlled by the shock absorber. (2) The resistance of fluid through the shock piston forces the bump action to dissipate within the spring without rebound.

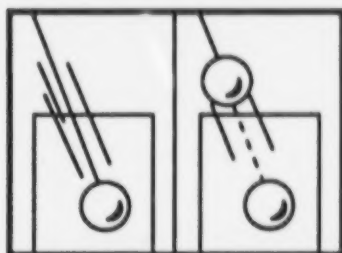
The main purpose of a shock absorber is to keep the wheels on the road.

How can you tell if a shock absorber needs replacing? When shock absorbers begin to wear, their change in performance is so gradual that the motorist hardly notices. Usually, shock absorbers should be replaced every 20,000 to 25,000 miles. If the customer does not know how long the shock absorbers have been on the car, oil leakage can indicate that the absorber chamber is losing fluid. Shake each absorber to see if it is loose, which indicates a broken mounting or loose bushing material. Also, bounce the car by pushing up and down on the front hood area several times. A drive test at about 10 mph can also determine the wear on a shock absorber. Tapping the brake lightly several

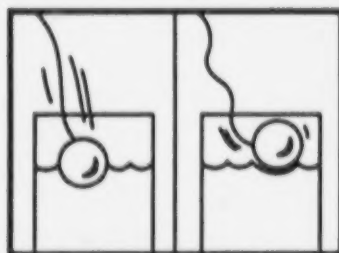
times to make the front end weave up and down will provide a slow, steady ride on good shock absorbers. A jerky ride indicates worn-out shock absorbers.

Because so few customers ask for replacement shock absorbers, it is important to point out their need if it is determined that replacements are needed. To help close the sale, you might want to tell the customer the benefits of new shock absorbers:

- A better, more comfortable ride
- Smoother, easier handling on the highway
- Easier control during braking, cornering, and on curves
- No bottoming or dragging of



A weight on a rubber band dropped into an empty cylinder has a big rebound range.



The same weight dropped into a cylinder filled with fluid meets a resistance and arrests the rebound.

Oil helps a shock absorber resist movement.

rear bumper from going into or out of driveways, bumps, or dips in the road

- The necessity of shock absorbers to the car's suspension system and steering control

Spark Plugs

The efficiency of today's automobile engine is truly remarkable and its ability to operate depends entirely on the spark plugs—tiny components that have no moving parts. The **spark plug** is a modern marvel of ceramic and metallurgic engineering. Metallurgic engineering is the science of blending metals together into special-purpose alloys.

Shaped into a single unit, the spark plug has three basic parts: (1) a ceramic insular body that contains a center electrode, (2) a steel shell with a threaded end that screws tightly into the top of the combustion chamber and holds the ceramic body, and (3) a firing tip that has the center electrode that is attached to the side of the steel shell. Each time the rotor inside the distributor cap makes a complete circle, it creates a circuit with each spark plug wire that delivers electrical current to each cylinder of the engine. The wire carries as much as 40,000 volts, and the higher the voltage, the hot-

ter the spark. The excessively high voltage must be delivered in a completely insulated atmosphere. Any minor crack, flaw, moisture, dirt, or carbon spot can drain off large amounts of the voltage.

After spark plugs have been in use for several thousand miles, they may begin to lose their efficiency. Here are some of the more common conditions to look for.

1. Through normal use and firing, electrodes corrode and lose material.
2. Carbon can build up and is not being burned away, as the result of in-city driving.
3. Flashover can happen if the connection between the spark plug and the spark plug wire is cracked, wet, or split.
4. A cracked insulator housing can cause the same condition.
5. A fouled tip is covered with carbon.

Some of these conditions can be corrected by cleaning and servicing. In most cases, unless the engine has mechanical problems, the spark plugs can be cleaned and regapped at least once before being replaced. In order to determine the condition of spark plugs, they must be removed from the engine and inspected visually.

As with many other replacement parts, motorists seldom think of their engine's spark plugs. They are seldom seen, and many customers do not think they need replacement, particularly if the engine is running all right. If you have a regular customer and you keep service records, then you know about when the automobile needs replacement plugs. For others, you may not be able to spot the need for plugs until the customer tells you about problems and asks what is needed.

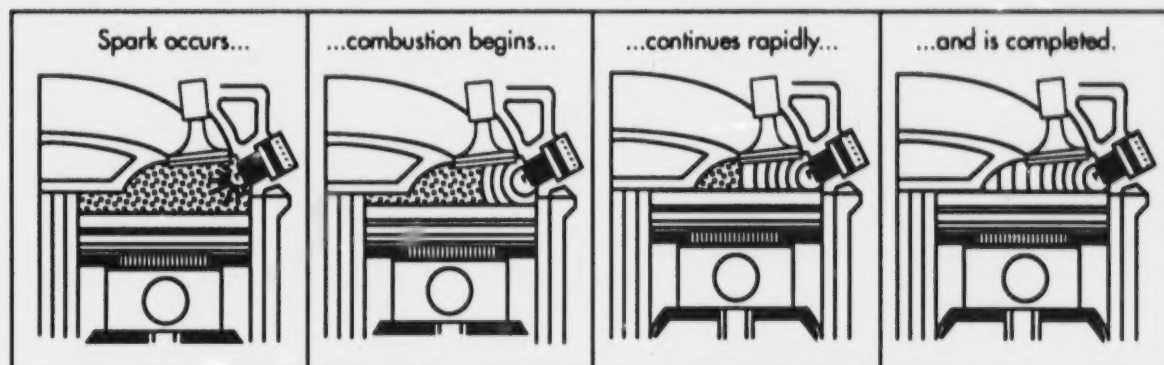
These are some common problems that indicate possible spark plug wear:

- Poor gasoline mileage
- No power, particularly when trying to pass or accelerate
- Rough idling and uneven running of engine
- Hard to start
- Engine dies often when idling
- Jerky performance at slow speeds

These symptoms are your cue to suggest inspection to determine the condition of the spark plugs. Check the mileage to find out how many miles the present spark plugs have. More than 20,000 miles on an electronic-ignition engine usually indicates a need to replace the plugs.

Explain to the customer why plugs wear out and begin to fail. Tell how important it is to have clean, efficient spark plugs. Stress the fuel economy and safety factors of clean spark plugs. Explain how power is lost and that the cost of a new set of spark plugs can be offset in a short time in fuel savings alone.

Remove and inspect the plugs. Explain to the customer the condition of the plugs and what it means.



Notice how the spark plug works in the firing process.

If cleaning and regapping is all that is needed, then recommend that. Otherwise, suggest a fresh set of replacement plugs.

Lighting and Electrical Accessories

Automobile lighting is essential to good visibility, identification, and safety. Headlights, tail lights, parking lights, and fuses are the electrical accessory items most often in need of replacement, and you should make a routine inspection to be sure all lamps are operating. Before suggesting that a customer buy a replacement bulb for a burnt-out light, first check the car's fuse box. Every vehicle has at least one master fuse box or circuit breaker, or both. These are usually located under the instrument panel on the driver's side or on the firewall under the hood. Most American-made vehicles have a circuit breaker to protect the headlight, tail light, and brake light system. If a circuit breaker is found to be faulty, then the entire unit must be replaced. Most all other lamps and fan motors and accessory items are protected by a fuse block. *Fuses* are small glass or plastic units with a metal strip inside. A clouded casing or a broken strip means a blown fuse. Because broken fuses can be cheaply replaced and because it is so

necessary that they be replaced, fuses are probably one of the easiest automobile accessories to sell.

If all fuses are in order and not broken and a light is out, point out the problem to the customer and suggest that he or she buy a replacement light. Most lights are inexpensive and easy to install—and very necessary. Stress safety, price, and security.

Mufflers and Exhaust System Parts

A vehicle's exhaust system does two major jobs—it removes exhaust gases from the engine, and it helps reduce engine noise.

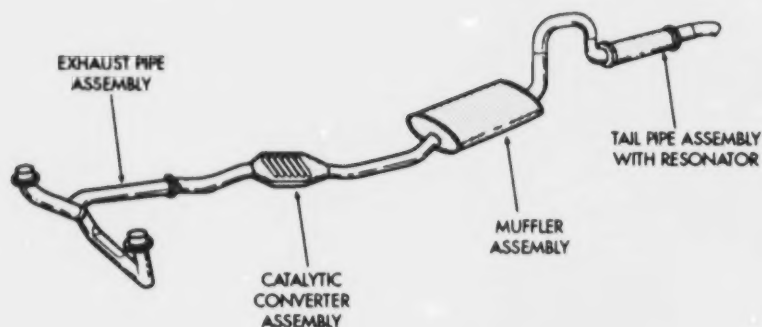
Burned gasoline vapors and oxygen produce a deadly by-product—carbon monoxide. To make it fairly safe, carbon monoxide gas is piped to the rear of the vehicle where it passes into the atmosphere. As long as the exhaust system itself is working properly, no harm will come to the driver or passengers. However, a faulty exhaust system with leaky connections or restricted passages can pass carbon monoxide into the passenger compartment. Dizziness and nausea are the first symptoms. Continued breathing of these gases can bring on drowsiness or uncon-

sciousness. In fact, carbon monoxide trapped inside an airtight compartment is usually fatal to anyone inside, which is why a thorough inspection of the exhaust system is a periodic necessity.

Every automobile engine has almost the same identical exhaust system parts. The exhaust manifold bolts directly to the engine block and directs the exhaust gases from the cylinders into the exhaust pipes, which direct the gases toward the catalytic converter where the noxious gases are turned into harmless fumes. The muffler reduces the roar to a soft purr. The resonator, on some models, further reduces exhaust noise. The tail pipe directs the final exhaust into the air behind the vehicle.

All of these components are replaceable. Each is supported by various types of brackets, hangers, and connector pieces. The difficulty in stocking all of these parts is that each make and model of automobile requires slightly different shapes, contours, and sizes of parts.

Your inspection of the exhaust system should include a visual and manual check of each component. A customer's complaint of excessive



*You need to know the parts of a single exhaust system.
(Courtesy Chrysler Corp.)*

noise or roar is your first clue of a faulty system. The smell of exhaust gases inside the passenger compartment is another clue. Call for a mechanic to put the automobile on a lift to visually inspect the exhaust system.

Repair and replacement of any part of the exhaust system is generally inexpensive and not time-intensive. Because most exhaust system problems are apparent to the customer—a loud engine roar or the leakage of gases into the automobile's interior compartment—it is usually easy to make the sale.

Hoses and Drive Belts

All hoses and drive belts require periodic inspection and occasional replacement. They are part of the normal stock carried by most petroleum marketers and retail auto service stations.

Replacement **hoses** under the hood are of three main types. Two radiator hoses connect the water supply from the engine block to the radiator. Heater hoses circulate hot water from the block to the heater core inside the vehicle. Hydraulic hoses are used for power steering and power brakes, and a variation of this type is used in air-conditioning

systems.

Radiator and heater hoses most often need replacement. In today's modern automobile engines, water temperatures and pressures have been greatly increased for more efficient operation. For this reason, the radiator hose is subjected to temperature extremes, high sustained heat loads, and great water pressures. The radiator hose is a vital flexible link between the engine and the radiator. One hose conducts the hot water from the top of the engine into the top of the radiator where it circulates downward to the bottom. Another hose distributes the cooled water back into the engine where it will pick up more heat. The water is being constantly circulated while the engine is in operation. "Water" is actually an incorrect term. All of today's engines use a **coolant**, which is most often a water-antifreeze mixture that is used for year-round operating conditions. Some coolants have no water at all, but are strictly a chemical compound.

Each time you check a vehicle under the hood for routine servicing, you should certainly inspect the radiator, heater, and hydraulic hoses. The top radiator hose should be

Words to Remember

coolant—a water-antifreeze mixture that circulates through the radiator

drive belts—rugged and dependable belts made of rubber that are used to connect the water pump, generator or alternator, air-conditioning compressor, and power steering/brake pump to the crankshaft of an automobile engine

hoses—in an automobile, there are radiator hoses, heater hoses, and hydraulic hoses, all of which are made mostly of rubber and which circulate coolant, water, or other materials needed for proper engine function

hydraulic—using some type of fluid to move or resist movement

muffler—the automobile accessory housed under the car's body that reduces engine noise

shock absorber—devices that dampen the up-and-down movement of a car's wheels on rough roads and uneven pavement

spark plug—a small, single device with no moving parts that ignites the gasoline-air mixture within the combustion chamber

gripped and squeezed hard. There should be no visible signs of a hair-line crack or split. If the hose appears to be swollen or slightly

bulging at the connecting clamp, it is likely to fail within a short time. Look for signs of leakage. Screw-type clamps can be tightened, with a screwdriver, but a spring-type clamp should be replaced rather than attempting to tighten it.

Heater hoses are smaller in diameter and much thicker, so a squeeze test will not work on them. You must observe the hose carefully, looking for cracks, splits, age checking, and signs of leakage, particularly at the connecting clamps. A leak in a heater hose is just as critical as one in a radiator hose. Even if the heater is not on, the hot water circulates continuously in the system. One small break in any of the hot water hoses will soon empty the coolant, resulting in a serious mechanical failure of the engine. By spotting the problem and suggesting a replacement hose, you are doing a great favor for the customer. Never hesitate to show a bad hose or leaky connecting clamp and suggest a replacement.

The water pump, generator or alternator, air-conditioning compressor, and power steering/brake pump are driven by belts. The lower pulley on the engine block is the power source for all these and is connected directly to the crankshaft.

Drive belts are rugged and dependable, but they need occasional replacement. Like the hoses, if one fails, it usually means a complete engine shutdown until it can be replaced. So you are performing a vital service to inspect and suggest replacement of any damaged belt you see. You should look at and test all belts during every routine under-the-hood inspection.

Not only must the belts stay together to drive the various components, they must also be properly tensioned. Too loose a belt will not turn the pulley at the right speeds. It will make excessive noise, cause the engine to overheat, or reduce the voltage produced by the alternator. Too tight a belt will warp the pulleys, pull them out of line, and cause premature failure of the belt. If you see conditions that indicate belt wear, misalignment, or pulley problems, call for a mechanic to perform a complete inspection.

Store the new belts your training station sells in a cool, dry place away from heat or direct sunlight. Either situation will cause the belts to become rigid during storage, and they will never fit properly. Store new belts away from lubricants, fuels, and other petroleum products.

Motorists should carry at least one or two extra drive belts with them. In case of belt breakage or failure on the road, a new belt can save a long, troublesome (and expensive) delay. When you sell a belt, suggest the customer keep a spare in the trunk, the same as a spare tire.

Replacement Wiper and Washer Parts

Though small and usually unnoticed, windshield wipers and washer fluid are a great safety factor. The wiper blades themselves wear out quickly and must be replaced often. All other parts of the wiper/washer system seldom give problems.

The windshield wipers are made of two parts—the wiper arms and the rubber-tipped blades that actually clean the windshield. It is the wiper blade that needs attention and frequent replacement. In constant

use, the blades will probably not last more than three to six months. The constant back-and-forth motion, the amount of tension, and the extremes of temperature changes cause the rubber to soon wear out and become hard and brittle. A blade that is used very little will soon deteriorate because the sun, wind, and heat will sap the flexibility from the thin rubber squeegee.

Other conditions can indicate blade replacement. A bent refill blade will not make complete contact with the glass surface, leaving dulled, dirty streaks. Sometimes the squeegee will split, and the blade does not give a clean sweep across the glass. The rubber may become too soft and have a greasy feel. It will not clean effectively. A part of the blade may break off or have a wavy appearance, leaving smudged, dirty streaks on the glass.

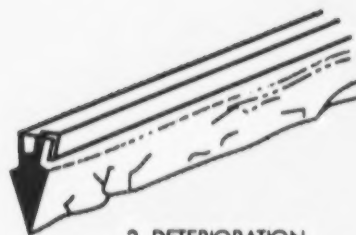
Look for all these telltale signs of damaged, worn-out blades when you are making a routine service check of the car. Look for telltale smudged and streaked arcs where the windshield wipers travel across the glass. Look for bent arms and refill blades. Look for uneven tension where only a portion of the glass is being cleaned.

Replacement blades are inexpensive. If blades need replacing, show the condition to the customer and suggest a refill blade. It only takes a few minutes.

The washer system is made up of the fluid reservoir, the motor and pump assembly, connecting hoses, and spray nozzles. Some models of cars have a rear washer assembly. These are usually two separate assemblies, but they may use the



1. BLADE DISTORTION



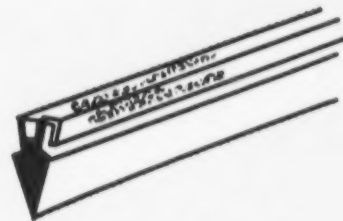
2. DETERIORATION



3. SMEARING



4. SCRATCHING



5. RUST

Look for these conditions when servicing wiper parts.

same water reservoir. The pump assembly is mounted either next to the reservoir or on the firewall close to the wiper arms. Rubber or neoprene hoses connect the reservoir, pump, and spray nozzle. The washer switch is located on the wiper control and activates the wiper control, as well as the wiper and washer at the same time. Most cars have a timed (intermittent) or continuous spray pattern for about three or four complete sweeps of the wiper. Shutoff is automatic.

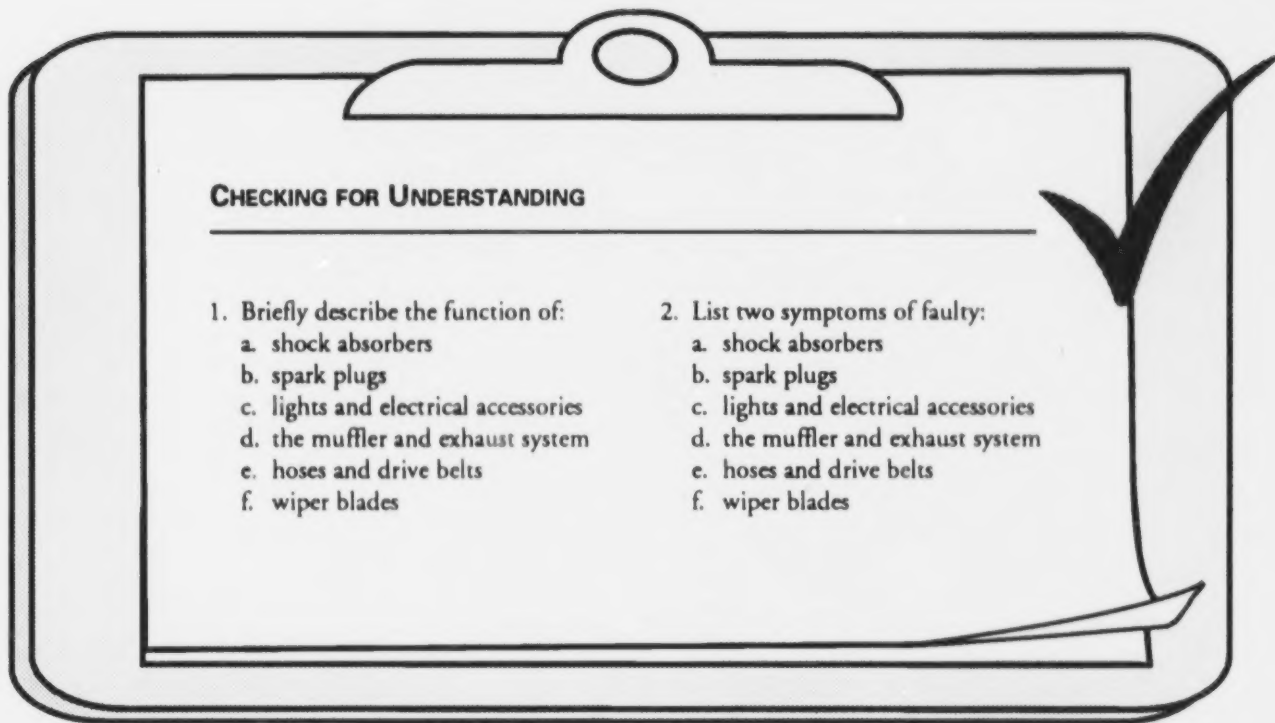
The major problem of washer assemblies occurs in the spray nozzle. The openings are very small and often get clogged with dirt, corrosion, and hard water minerals. Use a

pin, fine wire, or similar device to open the hole in the end of the spray nozzles. Turn the switch on, and observe the spray pattern. The stream of water may be too high or too low and need adjustment by slightly bending the nozzle.

The reservoir needs periodic inspection and cleaning. Most reservoirs are made of plastic and resemble the one that holds the radiator coolant. Routine inspection requires adding fluid or cleaning the reservoir if it looks dirty or muddy. A small filter screen is in the bottom, and low pressure usually means a clogged filter screen. Remove it for easy cleaning. In areas where hard water is used, it will clog frequently.

Summary

A good approach to selling automotive replacement parts is to (1) identify the problem, (2) relate to the customer the function of the faulty part and the need for a replacement, and (3) close the sale. To identify the problem, you must be aware of what symptoms to look for. To tell the customer about the part and its replacement need, you have to have solid knowledge of the product's usefulness and function. And to close the sale, you must have confidence in your assessment. You cannot expect to be an effective salesperson without an understanding of these steps and of the replacement parts you sell.

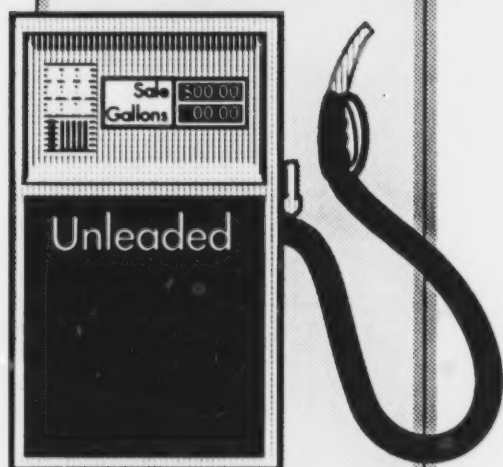


CHECKING FOR UNDERSTANDING

- | | |
|--------------------------------------|--------------------------------------|
| 1. Briefly describe the function of: | 2. List two symptoms of faulty: |
| a. shock absorbers | a. shock absorbers |
| b. spark plugs | b. spark plugs |
| c. lights and electrical accessories | c. lights and electrical accessories |
| d. the muffler and exhaust system | d. the muffler and exhaust system |
| e. hoses and drive belts | e. hoses and drive belts |
| f. wiper blades | f. wiper blades |

9

Selling Automotive Services



Objectives: After completing this assignment, you will be able to—

- explain the value of automobile services to both the customer and the business;
- name three methods that can be used to find and recommend needed services to the customer;
- name nine checks that can be done on an automobile during a casual look under the hood; and
- name at least three of the twelve systems that need thorough inspection on a regular basis.

With the exception of two or three basic services, most motorists and car owners seldom ask or think about other needs. Most will ask for oil changes, lubrication, and tune-ups. Even so, many do not ask for them on time but usually wait until the need is called to their attention.

Your customers actually depend on you to recommend basic automobile services. Services are vital to a vehicle's performance and trouble-free operation. More than that, services provide a better margin of profits for a business than selling products. So, when you sell or recommend services, you do the customer a favor and you do the business a favor. Both mutually benefit from a strong selling approach to services.

As an extra motivation, you should be aware that as long as you are in the automobile service and product business, you have a responsibility to the car owner. Your responsibility is to make the customer aware of needed services and replacement parts. This is particularly true with systems such as brakes and exhaust where the owner's safety is involved. However, your responsibility is also to service those systems that may cause inconvenience and unnecessary delay if neglected.

Selling Automotive Services

Good business is providing good service and building customer relations. You make money only from repeat business and loyal customers. Profits, and the ability to stay prof-

itable, come from having many satisfied car owners who trust you and depend on you to tell them what they need.

Every new car and truck comes with an **owner's manual** that specifies the required and recommended services and when they should be done. Few car owners pay much attention to that information, so it is up to the automotive services business to do it. For the first year or the first 10,000 miles, most automotive systems do well, but after that the systems decline rapidly. Unless properly serviced, the car's useful life is greatly diminished.

You find and recommend needed services by one of three methods:

- A casual inspection when the car is brought in for a fill-up of gasoline or a simple oil change



Never hesitate to sell. (Courtesy Mobil Oil Corp.)

- A complete inspection each time the car is brought in for any service
- Maintaining service records on each customer

For regular customers, the third method is necessary. You sell services by finding the need and then recommending the needed service or parts. You can build a good **clientele** by encouraging customers to let you keep a service record and take care of needs as they arise.

The Casual Inspection

The inspection routine is time-consuming, but it pays off in increased business. It requires training and a commitment on the part of service personnel. A look under the hood while a customer is filling

up his or her tank can reveal problems that might otherwise go unnoticed. Each of the following checks can lead to increased sales as well as better automobile performance and should be performed in a casual inspection:

1. Check the oil.
2. Check the radiator fluid level, if the car is cool enough.
3. Check the windshield wiper fluid level.
4. Check the level of the automatic transmission fluid. This must usually be done when the car is running.
5. Check the level of the brake fluid.
6. Check the tire pressure and tread wear.
7. Check the engine belts for wear, cuts, and tension.

8. Check hoses for leaks.

9. Check the battery for corrosion and electrolyte level.

Systems Inspections

Most high school students training in service stations or automotive specialty service shops will need to work with an automotive mechanic to complete one or more systems inspections. You should never attempt to perform these automotive services without the direct supervision of a trained mechanic. A thorough inspection of an automobile includes checking each of the following systems:

- Fuel system—including carburetor, air filter, automatic choke assembly, accelerator linkage, and fuel pump
- Starting system—including

starter motor, solenoid, battery, battery cables, and battery holddown assembly

- Ignition system—including the distributor, points, condenser, spark plugs, ignition wires, and ignition coil
- Charging system—including generator or alternator, regulator, and drive belts
- Cooling system—including radiator, hoses, heater hose, radiator pressure cap, fan blades and fan shroud, fan belt, and transmission oil cooler lines
- Lubrication system—including oil filter, oil dipstick, automatic transmission fluid dipstick, valve cover gaskets, crankcase pan gaskets, and PCV valve as well as carbon canister filter and connecting PCV and emission control hoses
- Drive system—including wheel bearings, universal joints, and differential
- Suspension system—including front-end lubrication points, torsion bar, shock absorbers, upper and lower control arms, kingpins, ball joints, and steering mechanisms
- Steering system—including power steering pump, control arms, tie rods, and drag linkage
- Brake system—including front disc or drum brake shoes and

pads, wheel cylinders, master cylinder, brake fluid reservoir, fluid lines, parking brake cable and linkage, and power brake assembly

- Exhaust system—including manifolds and gaskets, muffler, catalytic converter, exhaust and tail pipes, and all hangers and brackets
- Safety system—including windshield wipers, blades, washer spray nozzles, fluid reservoir, hoses, pump, and electrical, such as headlights, brake and tail lamps, blinker or turn signal system, and parking lamps

The service record system is the recommended method of keeping customers coming back and taking care of their service needs. Cars serviced on a regular basis seldom have mechanical difficulties or emergencies. The vehicles last longer and perform better. The difference is that regular **maintenance** must be sold. Your job is to tell customers why a regular maintenance schedule and record system is best for them. You should show the record system and how it works for the customer's best interest. Regular maintenance and service pays in the long run and costs less than unexpected and emergency repair bills.

A **customer service record** is a form that has the customer's name, address, telephone numbers, and make and model of car along the top portion. Below that is a chart that shows the various products and services, date, mileage, and time for next service. Each month the service records are reviewed, and those that have needed services due are pulled and put into a special date file. The customers are either called by telephone or sent a postcard reminding them that services are due. Give customers a date or appointment, and make them feel that a special time has been reserved for them. This system keeps work coming in on a steady basis and keeps customers constantly reminded of needed services.

Many service stations and automobile specialty shops today use a computerized record system. All of the larger chains do, and it is highly recommended that the small business owner invest in a similar system. A 1994 study showed that a computer, properly used, can increase **productivity** in the workplace by as much as 700 percent. An investment of several thousand dollars up front may seem like too much to pay, but the savings in labor costs and accurate record keeping will soon make up for the initial cost of the system.

clientele—a group of satisfied, repeat customers

customer service record—a form that has customer and service information so that the customer can be notified for recommended services

maintenance—activities performed as part of the regular and routine upkeep of an automobile

owner's manual—a booklet that comes with the purchase of a new vehicle that gives the customer specific details on automotive maintenance and warranty information

productivity—the amount of work done in relation to the number of labor hours and capital invested



Words to Remember

NAME TURNER, JOHN ADDRESS 428 WALNUT DRIVE PHONE NO. 946-7921
(Last) (First)
 MAKE OF CAR FORD MODEL BRONCO YEAR 19 LIC NO. 3549068

Mobil Customer Service Record

Record of Major Product or Service Purchases

PRODUCT OR SERVICE	MILEAGE	DATE	MILEAGE	DATE	MILEAGE	DATE
TIRES						
BATTERY						
SHOCK ABSORBERS						
WHEEL ALIGNMENT						
BRAKES	27,653	12-1-				
FUEL UP	20,601	5-1-	39,853	1-10-	49,723	7-5-

CO. 3881 (8-78)

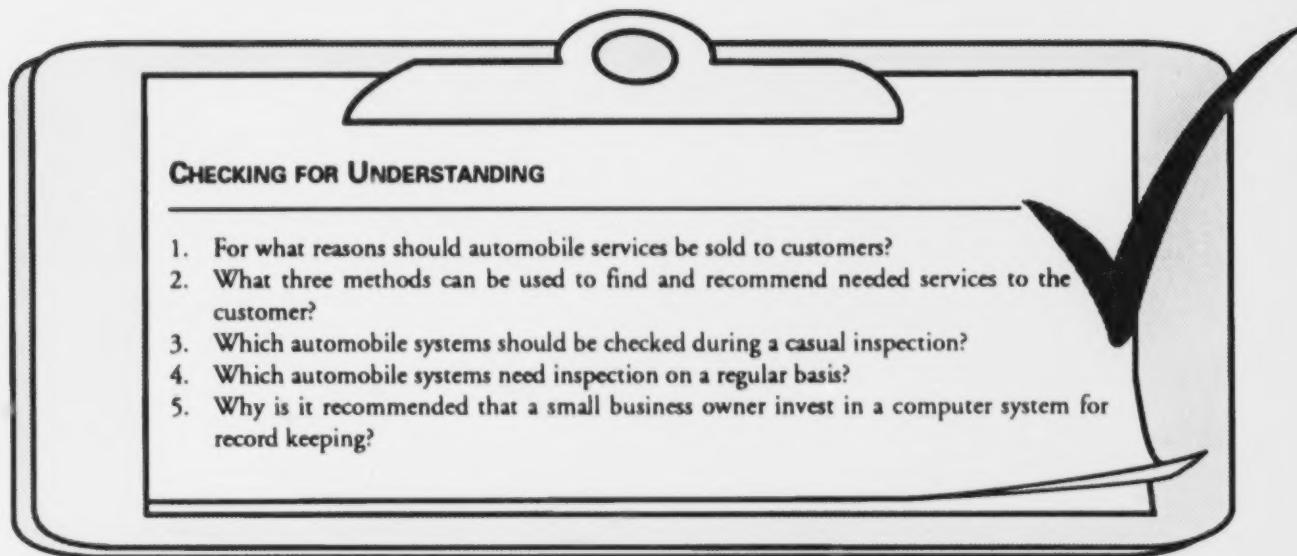
The customer service record is a document for keeping customer needs on file. (Courtesy Mobil Oil Corp.)

There are additional benefits to using a customer service record. It helps tremendously to maintain good customer relations. In handling complaints, you have a complete record of when parts were installed and the price charged, mileage and dates when services were performed, and who did the work. You can make any necessary allowances and adjustments, or you can show the customer how the work was handled. A service order or job ticket is a form that shows the products, services, charges, mileage, and dates of work done on

a customer's car. This information is transferred to the customer service record. The service order or job ticket is also used for accounting and inventory purposes, payroll information, and personnel or work performance records. It shows the actual work ordered and authorized by the customer, the parts, charges, labor charges, and a full description of the repair work performed. It also shows which employee did the work.

Look at the customer service record above. It shows that the

brakes were worked on at 27,653 miles. Since brake inspection is recommended every 22,000 miles for this type of car, a glance at the service record tells the employee that the brakes should be checked again when the car's mileage reaches 49,653. Each time the customer comes in for any reason—whether for an oil change or a simple gasoline fill-up—the car's mileage can be checked against the service record to see if any other services or checks are recommended at that time.



Summary

All automobiles require servicing several times a year. It is beneficial to the customer because, without proper and constant care, an automobile will soon run unsatisfactorily, or cease to run at all. Servicing automobiles

benefits the business owner or manager because services usually provide higher profit margins than do products. You should seek out potential problems and recommend services that a customer's automobile might need. Problems can be found through casual or thorough inspections, or through a customer service record system.

PART III

Applying Marketing Concepts





10

Stockkeeping and Merchandising

Objectives: After completing this assignment, you will be able to—

- list the benefits of having a full inventory;
- define *merchandising*, and tell how it is learned;
- describe five guidelines for making merchandising decisions; and
- discuss the procedures used in your store to perform basic stockkeeping and merchandising duties.

The motto of the rural peddler of a century ago was "you can't do business from an empty wagon." In the same way today, you can't provide the needed products and services to customers unless you have complete stocks. The variety, depth of assortments, price ranges, and amount of inventory that you have on hand largely depends on the type of business you have and the number of customers served during the year.

Need for Adequate Inventory

Today, inventory is a sizable dollar investment. If you tie up your dollars in stock that is not selling, then you are wasting money. On the other hand, if you have too little inventory on hand, you are losing profitable sales. Those sales and cus-

tomers are going to your competitors. It is a situation where too much or too little can kill you, and only the successful merchant will know how much.

Benefits of Adequate Inventory

The successful merchant has learned what to buy, when to buy, and what amount of each item to buy. All three are critical in maintaining an adequate inventory with the minimum dollar investment. Buying is done on a budget, and that is determined by the year's previous sales. It is crucial to the sales effort to have an adequate inventory on hand at all times. These are the advantages of having a full inventory:

1. You can give more efficient service because you have on hand what you need.

2. Customers want to shop where there are adequate stocks of the products they need.
3. Employees do a better job of selling when they have full stocks to sell from.
4. Full stocks mean that you lose fewer sales.
5. Fully stocked shelves are more attractive and inviting to customers.
6. Fully stocked shelves actually reduce losses because they are easier to inventory and shoplifting is discouraged.
7. Full stocks improve cash flow because the only items in stock are those with an adequate **turnover rate**.
8. Full stocks reduce labor costs because needed items are on hand and service personnel do not have to wait on delivered items.

Description		Pack	Size	Cost	Ret. Price	Quantity
FIRST SHELF						
D. Hines D. Food Cake Mx	HC41040	6	18 oz.	5.29	1.35	35
D. Hines White Cake Mix	HC41000	6	18 oz.	5.29	1.35	35
D. Hines Fdge Brownie Mx	HC42100	6	15.5 oz.	5.84	1.45	33
Arm & Hammer Baking Soda	HC01120	24	18 oz.	6.12	.39	32
Clabber Girl Baking Powd.	HC320	12	10 oz.	6.36	.79	35
SECOND SHELF						
Pam Spray Shortening	03011	12	4 oz.	16.41	1.95	30
Crisco Oil Medium	00401	24	16 oz.	22.50	1.19	21
Morton Salt/Pepper Shaker	443	12	2 pack	6.50	.79	31
Morton Plain Salt	1001	24	26 oz.	7.41	.49	37
Morton Ice Cream Salt	4212	15	4 lb.	7.54	.75	33

*Typical automatic reorder sheet where items are arranged by counter and shelf.
(Courtesy Independent Grocers, Inc., Abilene, Texas)*

Basic Stockkeeping

Stockkeeping can be defined as the process of ordering, receiving, and putting merchandise on shelves or displays to meet expected customer demand. The stockkeeping process for both convenience stores, where most products are selected directly off the shelves by the customers, and full-service gas stations or automobile specialty shops, which mostly sell services, are remarkably similar. While the means by which products reach the customer and leave the store differ, in any retail establishment one must anticipate demand and order goods accordingly. Each store has different procedures, but all share these basic tasks:

- Ordering items
- Receiving orders
- Opening cartons
- Price marking (if applicable)
- Shelf stocking
- Processing damaged and returned goods for credit

Most items ordered by C-stores, gas stations, and automobile specialty shops are listed on a stock list. This list serves as an inventory sheet, reorder form, and price list.

Depending on sales and customer traffic, inventory and reorder may be done daily, every other day, or at least weekly.

A stock list is usually alphabetized, but it may be in any order to suit the requirements of the company. You may find the items listed by vendors or by product categories. It lists each specific item by product name, brand name, size or quantity, unit per case or package, and cost price/selling price per unit. Many chain stores have a recommended reorder count. In other words, when the stock level reaches a certain number, an automatic reorder is given. These are generally fast-moving items and ones that you do not want to be out of as they are basic or staple goods for your business. For example, they may be cigarettes for C-stores and oil for gas stations and oil-change shops.

In most stores, a clerk walks through the backroom or goes down each aisle and checks off items as they appear on the list. In this way, no items are overlooked. If you only go by the items on the shelf, you may omit one because it is currently out-of-stock. Today, many stores

have scanners at the checkout stand (called **POS**, or point-of-sale, scanners) that both register the sale and update the store's inventory list, eliminating the need for frequent visual checks of the store's shelves.

Ordering Items

A C-store's profit is gained through rapid sales of basic items and having only enough on hand at any one time. **Overstocking** needlessly ties up working capital, and a C-store does not have room to store large quantities of reserve stock. Normally, a quantity is ordered that can be put onto the shelf and limited to that space. While in auto parts stores and gas stations, which usually have more room for stock, the case is a little different, the basic principle remains the same: overstock impedes cash flow and ties up space that could be used to store products which have a higher demand.

A shelf will only hold so much stock. Each item that goes on a shelf has a limited amount of shelf space. This amount is called **shelf-facing**, which is the number of items that face the customer. For example, one 10.75-ounce can of chicken soup

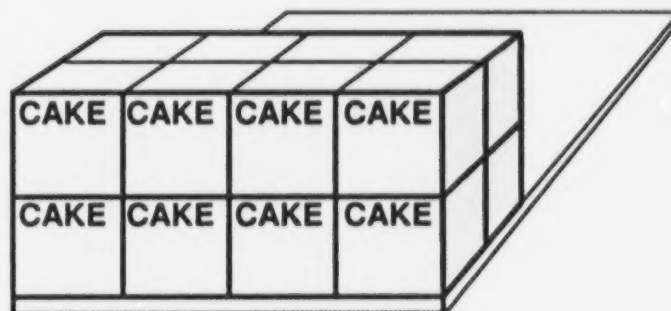
may have a shelf-facing of twelve. This means the front row is four cans wide and three cans high. The stack may be six rows deep, but these are not counted as shelf-facing.

The cake mix shown has a shelf-facing of eight. The shelf space will hold six times that number, or a 48 count. If they come packed 48 boxes to a carton, the entire carton could be put in that shelf space. Studies have shown that customers will buy more and faster from well-stocked shelves than from those that are half-empty. So, ordering enough of each item becomes very important. Personal judgment must be used to avoid either overstocking or **understocking**, which is not having enough merchandise available to sell.

Special conditions affect how much you order. You must know what special promotions are coming up and what items will be promoted. It does little good to promote if you do not have enough stock to meet the demand. You may note that on certain days of the week, weeks of the month, or months of the year some items have increased sales. Antifreeze, for example, is more popular in the winter, as is car wax in the summer. Your reorder must reflect customer buying habits as well as special promotion.

Receiving Orders

When a delivery of merchandise arrives, it must be checked in and inspected carefully. You must never assume that everything is in order and correct. An order of merchandise has a delivery ticket and an invoice. You first check the number of cartons of each item against the invoice to make certain that the count is exact. You then check the



Shelf-facing measures the number of units facing the customer from the shelf. (Courtesy Quaker Oats Co.)

contents to make certain it has the number of units inside, and that they are the exact size, content, package, and brand name as ordered and as specified on the delivery ticket and invoice.

Your next check is to make sure that cartons have no visible signs of damage or damaged contents. Assume you open a carton of canned peaches. You notice that one can is puffed on the ends and shows signs of leakage that have spoiled the label. The contents are obviously spoiled, and the can is not salable. You must note this on the invoice later so that proper credit for damage can be made by the headquarters or home office staff.

Where vendors deliver and stock a rack of merchandise, you must be just as careful. Never let a vendor or sales representative stock a shelf for you until you have checked the delivery of items and their condition. In the case of perishable goods that have a short shelf life, make sure that the dated goods are fresh and that no out-of-date items remain on the shelf or rack.

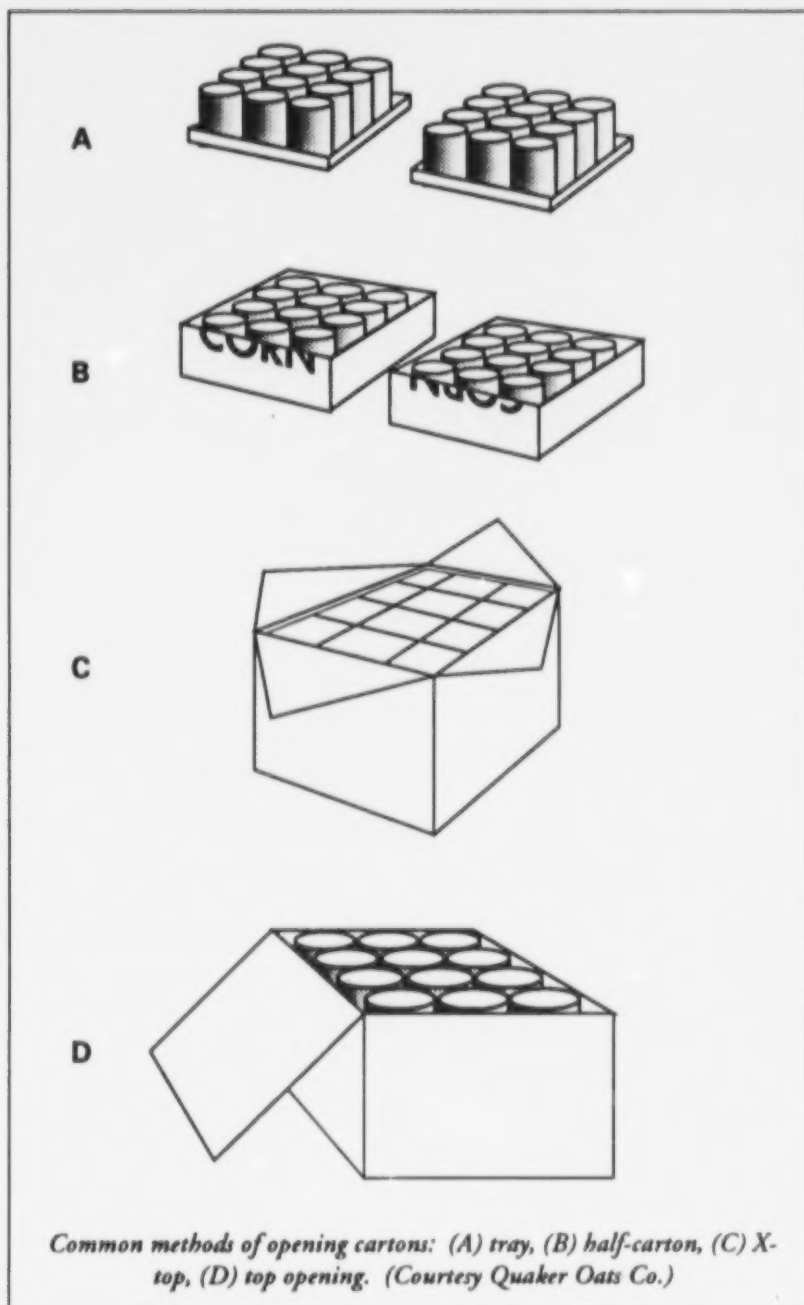
Opening Cartons

There are many acceptable ways to open a carton or case of merchandise. Some stores use cartons and

trays to hold the goods (auto parts stores, for example). Where this is the policy, the cartons must be cut to display the contents in the manner that the store specifies. Regardless of the method, you must use care and judgment in opening cartons. The contents can be easily damaged by making the wrong cuts and by cutting too deeply. For example, an entire carton of boxed dry cereal can be damaged by making knife cuts that slit each box inside. The same is true of any boxed goods or cello-wrapped items like pastas, dried beans, and fruit, as well as for some automotive products, like quarts of oil. Items damaged by store employees can receive no credit and must be written off as a loss—the same as if they had been stolen or shoplifted.

Price Marking

Each store has different rules and procedures for price marking. Some stores have a guide that gives suggested retail price, based on the cost price. In other stores, the exact selling price is given on each item. Follow your store's recommended procedure for determining the selling price that is marked or stamped on each item. It is good business to price all items. An unmarked item will encourage the customer to leave



the item on the shelf rather than ask a store employee for the price.

Shelf Stocking

The following is a good procedure to follow in stocking shelves:

1. Remove existing items from shelf.
2. Clean shelf space with damp

cloth and cleanser, if needed, or dust the space if it is not soiled.

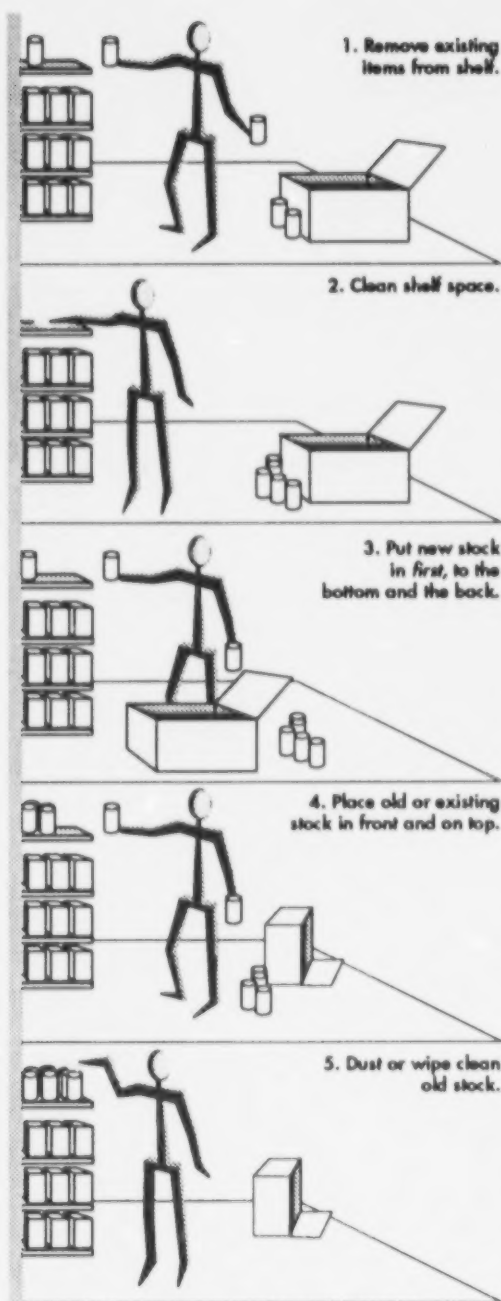
3. Put new stock in first so it goes on the bottom and to the back.
4. Place old or existing stock on the front and top rows so it will be sold first. This applies

to canned goods, bottled goods, all food items, and all nonfood goods. Stock rotation is an absolute necessity, and this is the best way and time to do it.

5. Make sure old stock is dusted and wiped clean if it shows signs of dust, dirt, or soil. Retape or reglue loose labels. Remove any can, bottle, or package where the entire label is missing. These items should be handled as **salvage**.
6. Finally, inspect all old stock to make sure the price labels are the same as those on the new stock just received. Never let the same items be on the shelf at the same time with different prices. If old stock is being separated to be moved out and has a different price, then it should be in a different location or display.
7. When prices are being changed, all existing prices must be either removed or marked out so that the new price is the only one that can be read. It is poor merchandising to stick one price label on top of another. It is too easy to peel off the top one. Follow your store's policy on removing or changing price signs.

Processing Damaged Goods and Salvage

Each store has its own rules and policies on handling damaged items, salvage, and outdated or spoiled goods. Each item represents an investment of the firm's money in inventory. If it is not properly recorded and disposed of, it shows up as **shrinkage**, or an uncontrolled loss. Shrinkage is measured by taking physical inventory and comparing it with the book or accounting inventory according to the



A good procedure to follow in stocking shelves

records. Causes of shrinkage include theft by vendors and employees, shoplifting, poor stockkeeping and merchandising records, and not accounting for price reductions,

the right item—in the right amount—in the right assortments and varieties—at the right price—at the right time—and at the right place so it will produce the maxi-

losses, and damaged or spoiled items that must be trashed.

The first step in processing damaged goods is to remove all spoiled, damaged, outdated stock from your store's shelves. If the contents are still good or edible, put the items in a special place and mark at a lower price in order to promptly sell them. Second, if goods are obviously spoiled or damaged in such a way that they are no longer fit for human consumption, they must be disposed of as **trash**. Even so, the items should be properly recorded so that the accounting will be correct. The store needs to have accurate records of what merchandise was damaged, why, when, and its disposal.

Basic Merchandising

Merchandising is one of the most difficult of all marketing terms to define. This is because almost everyone who uses the term has a different interpretation. For the purpose of this unit, **merchandising** is defined as "having

the right item—in the right amount—in the right assortments and varieties—at the right price—at the right time—and at the right place so it will produce the maxi-

mum sales volume needed to give the desired profit."

Merchandising is something you learn from experience and from working with products. You acquire a certain "feel" for it. It is based more on good judgment than on clearly written principles and techniques. You learn merchandising by knowing your market, by identifying your customer's buying habits and changing moods, and by observing the movement and sales strength of stock in your store.

You also learn that nothing in retailing is static—that it is always changing. Merchandising must reflect changing trends, patterns, shopping habits, customer wants, community standards, and other trends that affect the selling of products and services. Many trends in retailing have been pioneered by C-stores. Today, novel merchandising techniques are one of the leading growth drivers of the C-store industry. Recently, automobile specialty shops have been proven to be a very successful retailing concept.

As an employee, you won't be making major marketing and buying decisions for your store. But you can begin learning the basics of good merchandising because you will need them when you become a manager or owner. Being alert and observing what your customers buy will help you greatly in learning what and how much to stock.

For example, suppose your C-store stocks three kinds of 12-ounce cans of soft drink. You observe that brand X outsells brand Y by a 3:1 margin, and brand Z by a 2:1 margin. If you were stocking your cold case with soft drinks, how much

Words to Remember

merchandising—the process of having the right item in the right amount in the right assortments and varieties at the right price at the right time and at the right place so it will produce the maximum sales volume needed to give the desired profit

overstocking—a condition of ordering more merchandise than can normally be expected to sell until the next shipment arrives

POS—point-of-sale

salvage—any food item or product or material that can be reused and sold or has some value

shelf-facing—the number of units of a particular product that actually face the customer on the shelf; measured by width and height of the stacked units

shrinkage—losses that occur from stock that is neither reported nor recorded for accounting purposes

stockkeeping—the process of ordering, receiving, and putting merchandise on shelves or displays to meet expected customer demand

trash—products or materials that have no value or are spoiled or damaged to the extent that they are no longer usable and should be thrown away or destroyed

turnover rate—the number of times an item is bought, sold, and replenished during a certain period of time

understocking—a condition of ordering insufficient quantities to meet expected sales demands until the next shipment arrives

space would you give to each of the three brands? Good merchandising dictates that you would give the greatest space to brand X and the least space to brand Y.

In another example, suppose that your gas station sells four brands of oil. One brand hardly sells at all, two brands have moderate sales strength, and one has an excellent volume. It would be good merchandising to replace the one slow-selling brand with the best-selling brand, doubling its shelf capacity and increasing sales and profit margins at the same time. What makes merchandising so exciting—and so frustrating—is noting that, while these various sales ratios are true right now, they will not remain so. New products on the market, a tremendous promotion or advertising campaign, or a shift in the customer makeup of your market will cause sales volume and popularity to change directions.

Many times a product's popularity will greatly improve by simply

changing its position. For example, one C-store had a good assortment of suntan skin care products, but the sales volume never measured up to expectations. The manager set up a dump display close to the check-out stand, put a bold sign and graphic design over the case, and put sunglasses, picnic supplies, and related items nearby. The result was a phenomenal jump in sales. The reason was that few customers came in to shop for suntan skin care creams and lotions. But the display reminded them of picnics, outdoor activities, and fun on the beach when these skin care items would be needed. The products sold on impulse alone, and the suggestions brought about the sale of related merchandise as well.

Guidelines for Maximum Merchandising

The purpose of merchandising is to get maximum sales and profits for each square foot of usable floor space. With limited floor space, the problem comes down to how many

products will be stocked, how many units per product, and how fast will they sell. Each store has to answer these questions based on its own market and customer buying habits. However, you can use some guidelines to aid you in making merchandising decisions.

Stock your store only with what your customers expect and need. For example, most customers do not look at a C-store as a miniature supermarket. A C-store is a convenience store, and customers expect only a limited product selection. Customers will expect a wide selection of automobile parts at an auto parts store, while they will expect a smaller selection at gas stations. Use your common sense.

When dealing with the problem of how much space to give to each category of product, the products' profit margins are often a good indicator. Obviously, you want to stock your store with the products that make the store the most money, provided that they sell well.

Studies have shown that customers will continue to buy even when shelf-facings have been reduced. By reducing shelf-facings, more products can be stocked in the same amount of space. This will also reduce on-hand inventory to minimums, increasing your store's profits.

Move fast-selling or "hot" items off the shelves and onto displays in the high-traffic areas. For example, one C-store found that TV Guide was taking up two shelf-facings on the magazine rack. Its sales were not as good as expected, and many unsold copies were picked up each issue period. The manager moved it into a rack in front of the register on the checkstand. Sales jumped immediately because it was where every cus-

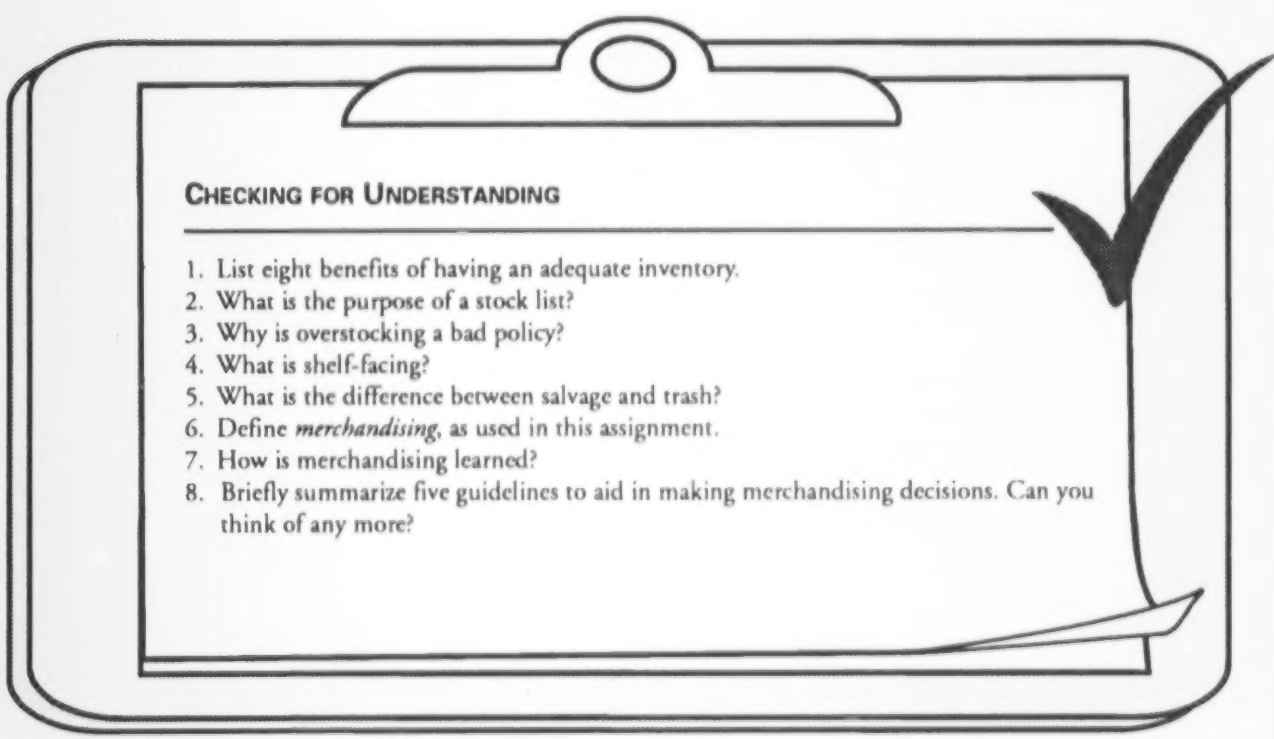
tomer would see it. Keep in mind that everything sells better if placed near the cash register, but there is only so much space by the register. You do not want the counter too crowded, with no space for customers to place their purchases.

Make items visible and within reach. One C-store had a large inventory of Styrofoam cooler boxes purchased for the coming picnic season but they did not sell. Because they were large and bulky, they had been placed on shelves over the cold case and meat/deli case. They did not sell because customers could not reach them. When they were stacked together and moved on to the floor with a large sign, they sold out in record time. One was used as

a display case itself. It was filled with ice, soft drinks, and beer and used as a dispenser. The idea promoted the sales of both the portable coolers and the products.

Summary

Full stocks increase sales and profits. Underordering or overordering products from suppliers results in lower sales and ties up cash that could be used to buy more needed stock. Merchandising can make or break a company. Good merchandisers will stock their stores with products that customers expect and need. Merchandising decisions are made by considering a store's location, customer base, and the time of year, among other factors.



CHECKING FOR UNDERSTANDING

1. List eight benefits of having an adequate inventory.
2. What is the purpose of a stock list?
3. Why is overstocking a bad policy?
4. What is shelf-facing?
5. What is the difference between salvage and trash?
6. Define *merchandising*, as used in this assignment.
7. How is merchandising learned?
8. Briefly summarize five guidelines to aid in making merchandising decisions. Can you think of any more?



11

Working with Vendors

Objectives: After completing this assignment, you will be able to—

- define *vendor*, and name the services provided to a store by a vendor;
- describe the obligations you have to the vendor and the vendor has to your store;
- tell how to keep relations with vendors honest and businesslike; and
- discuss services by vendors that can aid the overall merchandising efforts of the store.

A vendor is any sales representative who delivers products to your store and who normally stocks those products on the shelves or racks. C-stores rely heavily on vendor-supplied merchandise and services, and some gas stations that sell food and consumer products may also rely on vendors. Items such as soft drinks, snack foods, breads and related products, cookies and crackers, and dairy products are usually vendor-supplied.

Vendor Services

Many valuable services are provided to the stores by vendors: (1) they deliver, which saves transportation charges, (2) they often do their own stocking, which saves valuable labor and time and allows store employees to serve customers,

(3) they rotate stock and make their own merchandise attractive, (4) many have **sales guarantees** on perishable goods, which means that they take back unsold goods and replace them or give the store a credit voucher, and (5) many vendors supply merchandising aids such as **displays**, banners, price cards, and similar devices. It is both important and profitable to the store to have good vendor relations.

Store Obligations to the Vendor

As a store employee, you have certain obligations to the vendor.

1. The vendor has a schedule to follow and needs your prompt attention and processing of the order delivered. You should thoroughly check the invoice and delivery, make prompt payment (if payment is due on

delivery), and understand that the vendor uses only the allotted space.

2. The vendor deserves your courtesy and helpfulness. The vendor is providing a service and deserves prompt, courteous service.
3. Any merchandising aids or display equipment supplied by the vendor should not be used for competitors' products or other products.
4. The vendor should be told in advance which day, and time of day, to deliver so that several vendors do not show up at the same time.

Vendor Obligations to the Store

Vendors have several obligations to the stores they serve and to their personnel:

1. They should deliver on the day and time of day that goods are needed.
2. They should deliver only the number and specified kind of each item that is ordered.
3. They should take no more shelf or rack space than the amount specified in the agreement.
4. They should make all deliveries through the front door of the store (unless told otherwise).
5. They should not put any stock on the shelves until the delivery has been counted and inspected by store personnel.
6. They should not demand service or payment until the employee has taken care of customers.
7. They should not take up prime parking spaces directly in front of the store. Most stores have designated places for vendor's trucks and delivery vehicles.
8. They should give the store personnel all copies of the invoice for inspection and checking prior to payment or signing for the order.

Processing the Vendor Order

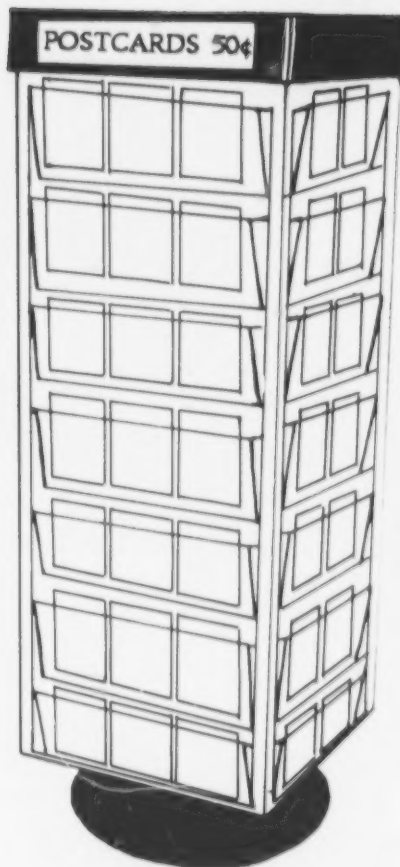
Vendors supply needed and valuable services to retail stores. Vendors deserve prompt attention, but they must also be aware of the needs of the store and of customers. Vendors must observe the rules if they expect your business.

First, the vendor should park only in designated spaces and deliver through the front door. Second, the vendor should not interfere with normal customer shopping, nor expect the store employee to check out in front. Third, vendors should respect the traffic peaks of a store and avoid delivering when the store is busy.

The normal process for checking a vendor delivery is as follows:

1. Check the number, size, and kind of merchandise delivered against the invoice and delivery ticket.
2. Look for substitutions, shortages, and damaged goods.
3. Make certain that no items are being delivered and charged to the store that were not ordered.

4. Look inside all cartons, and count the items. Don't assume that the correct number is inside the carton even though it appears full.
5. Check all copies of the invoice to make sure that counts and prices are the same on all copies before you sign.
6. If the vendor has a sales guarantee policy, make certain that



A displayer is a freestanding, specially constructed unit for holding merchandise.



A refrigerated case is largely stocked by vendors.

all outdated goods have been removed from the rack or counter before new merchandise comes in. Place "credits" away from fresh merchandise to avoid confusion and possible shortages. Unsold goods should be replaced or a **credit voucher** should be issued for the exact number picked up.

7. Make sure the vendor takes only the shelf-facing or space allotted for stocking merchandise.
8. Make sure the vendor takes only empty cartons and boxes when leaving.

Most vendors are honest and must rely on good relations and repeat sales. However, some start out honest but yield to temptation and become dishonest. In busy retail stores, vendors have many opportunities to steal:

- A vendor may make math errors in invoice totals, especially on hand-generated invoices.

- A vendor may short the order.
- A vendor may overcharge the unit price on an order.
- A vendor may not pick up all the outdated merchandise and give credit or replace items as agreed.
- A vendor may put the goods on the shelf before the order is checked, thus permitting shortchanging or overcharging.
- A vendor may take other merchandise by placing it in the empty cartons.
- A vendor may encourage an employee to become a partner in crime by signing for additional merchandise that is not delivered, and splitting the difference.

As an employee, you are not being told to be suspicious of all vendors. You should simply follow good business procedures and take away any opportunity for dishonesty. Vendors will be honest when they know you follow the rules, count and check all orders, and check the paperwork.

Avoid taking or accepting favors and gifts from vendors. When you do so, you are leaving it open for them to expect "small favors" from you in return. There are no "free" samples. Vendors must account for all of their inventory. Run a good, efficient, businesslike store, and you will avoid any losses from dishonest people.

Working with Vendor-Supplied Merchandise

Soft Drinks

Soft drinks are the fourth best-selling product in C-stores. A major portion of these are sold cold—that is, they come from the refrigerated cases. Some larger chain stores ship direct from the warehouse to the local unit, but many small chains and independents let the vendor bottling company supply their soft drinks.

Local bottling companies give good service and deliveries as often as needed. They supply single cans, six-packs, single bottles in several sizes, and case packs. Although part of the cold case is given to soft drinks, there has to be a limit on how many brands, sizes, and flavors can be carried. Many stores limit the assortment to three sizes of the top-selling brands. To do this, you can limit your total soft drinks sales to one or two local vendors.

Select the vendor who will give full promotional and merchandising service. The major national brands run regular promotions, have plenty of displays and signs for featured promotions, and work closely with the store to maximize sales. In addition, they supply the charged tanks for fountain drink service, along with other needed self-service supplies and vending racks.



A special rack that is stocked regularly by a vendor can be profitable to the C-store.

When you have a good local vendor bottling company and you maintain good relations, you can get maximum service. They will work with you, within reasonable limits, to supply everything you need. They will work with you on your own local store promotions and offer free window signs, outdoor signs, coupon advertising on a cooperative arrangement, and displays. **Cooperative advertising**, such as coupons, involve the C-store and the supplier sharing the cost of the promotion.

For a chain store that does a large volume of business with the bottling company, let the vendor handle most of the merchandising and promotion effort. The vendor will become the merchandising project director; work out promotions, cooperative advertising allowances, and timing; and schedule deliveries of both products and supplies. What is good business for the C-

store is equally good for the vendor. All it takes is a cooperative relationship and your request for their assistance.

Milk and Dairy Products

Another large segment of gross sales comes from milk and related dairy products. While the larger chains have their own house brands, many stores rely on local dairies to supply locally produced milk with franchised nationally distributed brands. The house brands are usually a few cents cheaper and are used to compete with supermarkets. In some sections of the country, the C-stores emerged from dairy stores, so milk and related products are a major sales line.

Vendors are usually local dairies and bottling plants. They can be a big help by giving full service on deliveries and promotions. They can also provide a service by keeping you posted on local and area pricing

trends. A C-store does a large sales volume in pint-sized cartons, more so than supermarkets, because of their immediate consumption along with sandwiches and snacks. For home consumption, sales on half-gallons and gallons are larger.

Freshness control is a major factor in selecting local vendors. You should have an agreement that nothing will be delivered that has less than five to seven days of shelf-life before the freshness date expires. This practice will almost eliminate spoilage problems and having to make refunds on returned items.

Most C-stores find that the best sales producers are dairy-related items that have consistent high quality, but do not try to compete with supermarkets on price. Freshness, clean spotless cases, and full stocks are the key to merchandising the dairy case.

Bread

Another big seller and product that relies heavily on vendor suppliers is the bread market. Bread and related items need an "up front" sales area, a prominent position in the store with good exposure to customer traffic. Most firms find that it is best to select two local bakeries as major vendors and to give each vendor an equal shelf position.

One C-store firm rotates position on a quarterly basis. One vendor has the bread gondola's top two shelves, while the other has a prominent end-of-aisle display for cakes and pastries and a less prominent position for bread. The two local vendors work well together, but have mutually agreed upon rules. Neither vendor may take more shelf space than allotted. Neither one may have

signs or banners that overpower the other competing brands. Promotions are worked out jointly with the C-store in connection with their own themes or campaign efforts. When two competing companies work together, and with store personnel, you have a harmonious vendor relationship that produces maximum sales for the given space.

Health and Beauty Aids

Health and beauty aids (HBA) are a prominent sales producer for some C-stores. These items can account for significant nonfood sales in those stores that promote them. The gross profit or markup is normally more than 30 percent, so HBA is also a big net profit producer.

Because many HBA items are fairly small and are easily shoplifted, many stores place them behind the checkout stand. However, the big sales volume C-stores have HBA as a separate self-service counter. Small local chain stores and independents normally buy from local vendors or wholesalers. Unless one or two wholesalers supply the entire HBA line, it is not feasible to let each vendor stock and merchandise the counter space. A successful HBA department has good assortment, good shelf stockkeeping and management, and an ongoing promotional effort that uses displays, signs, and specials.

Most stores find that the best HBA department is one supplied by an aggressive local wholesaler. With good service, stockkeeping, and a full merchandising effort, the HBA department becomes almost maintenance-free while producing good profits and a fair amount of gross sales. Without reliable vendor service, it takes considerable employee time to constantly inventory and stock this department. The HBA section should never have out-of-stock items, disarranged merchandise, or a lack of promotions and merchandising aids. Without signs and displays, the sales volume will not be up to its potential.

Magazines, Periodicals, and Books

The average C-store grosses only a small percentage of its sales from magazines, periodicals, paperback books, comic books, and newspapers. However, some stores place a major emphasis here and have their own magazine department. In most cases, all of these materials are vendor-supplied.

A good, reliable vendor is a must if your store is to get maximum sales and satisfaction from this department. The vendor must deliver on time. If your C-store is two or three days behind some other outlet in a major magazine distribution, your sales will suffer. The sales represen-

tative should keep you informed of any changes in title, size, and time of month or week the issues will be delivered. Management should have adequate opportunity to preview any new magazines, titles or books—particularly if your store stocks adult-type material. No magazine, periodical, book, or newspaper should be stocked or put on sale without full preview privileges and authorization from top management. If you do not have a reliable vendor, then you must constantly police and inspect the periodical rack.

The vendor must be willing to give good service to the local stores. In most cases, the vendor should supply the fixtures, which must be specially constructed for this type of merchandise. Special promotional materials, signs, banners, and displays should be furnished and paid for by the vendor. Vendors should do most of the stockkeeping and have a firm schedule for picking up outdated materials. The vendor must fill out the necessary forms and paperwork so the store can receive its monies on time.

Tobacco Products

C-stores like to stock tobacco products for several reasons. They have high sales volume, take up very little space, and are a profitable line. In some stores, cigarettes account

cooperative advertising—a promotional tool whereby a company or manufacturer will share the costs of advertising with a local store when specific products or brand names are prominently mentioned

credit voucher—a receipt that deducts a certain amount from the store's bill for merchandise returned to the vendor

displayer—any freestanding, specially constructed unit for holding merchandise

sales guarantee—an agreement between vendor and management that any damaged, returned, spoiled, or outdated goods will be picked up by the vendor for credit or free replacement

vendor—any supplier or distributor who sells and delivers goods to your store

Words to Remember

for more than half of total nonfood sales. Many stores rely on vendors for these products. Tobacco products, especially cigarettes, have massive national advertising on a year-round basis. Vendors or distributors supply tastefully done signs, banners, and merchandising aids. They supply the merchandise rack and, in some cases, buy the space for their products.

On the whole, C-store owners report that they have many problems with tobacco product vendors. The problems center around lack of communication, no advance notice on new products, and a general attitude that they can come in at any time to restock their racks and display spaces. Many complain that late deliveries on merchandise hurt their sales. It is crucial that employees insist on timely deliveries, adequate stocks, sufficient time to make room for new product lines, and good service.

Candy and Gum

In many places, the tobacco distributor also has the candy and gum business. C-stores may buy these products from a local distributor, or they may be part of their regular grocery stock. Candy and gum can account for as much as 10 percent of gross sales, so they are significant items. Like tobacco, the items are small, take up little space, and return a good profit on the space required. However, there is a high incidence of loss through shoplifting because they are so small and easily taken. Most stores prefer to keep the candy and gum display near the

front checkout area for easy visibility.

Candies and gum require very little promotion or merchandising effort. Display and product mix are the keys to profitability. It is a matter of stocking the kinds of candy and gum the customers prefer.

Most vendors are good about keeping adequate stocks, full counters and displays, and adequate merchandising aids. Most will rotate the stock properly and keep supplies fresh. Broken and damaged pieces should be picked up and credited or replaced free. Tell your vendor when to be there and when to inspect the inventory and restock. Insist on advance information about new products or major price changes. Seasonal candy promotions, such as Halloween, Christmas, and Valentine's Day, are probably less effective in a C-store than in traditional food markets. However, every effort should be made to have special promotions and cooperative advertising or coupons to increase sales.

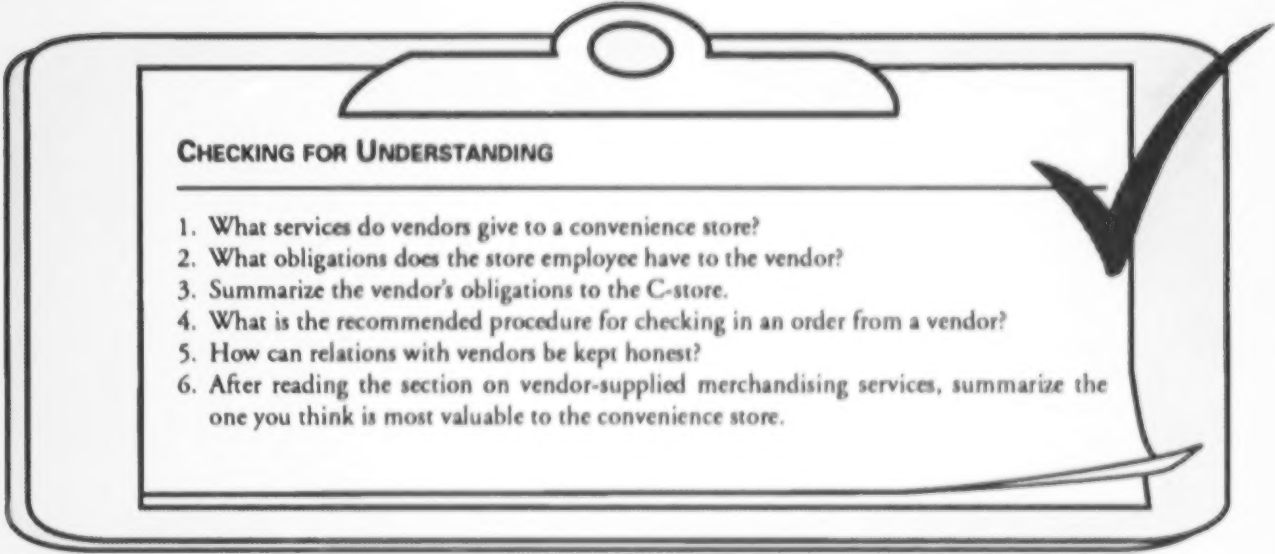
Summary

Regardless of the number of product lines in your store that are vendor-supplied, there are certain rules you should insist on as a C-store employee.

1. Each vendor should have appointed days of the week and times of the day to call and should follow the schedule as closely as possible.
2. All vendors should park away from front door spaces, but all merchandise should be deliv-

ered through the front door.

3. Insist on adequate time to inspect and count the delivery before it is placed on the shelf or counter.
4. Make vendors use only the allotted space. Some will try to take extra room to promote a new product that has not had prior approval from management or the owner.
5. All display material and merchandising aids should be the right size and type for the space they must use. Naturally, all vendors want the maximum space for their products, and all want it up front near the checkout counter. You cannot let vendors have unsupervised and unauthorized space.
6. Insist on good communication and advance notice on new products, new lines, changes in scheduled delivery, or major price changes. Most stores have a rule against new products without prior approval of manager or owner.
7. Where freshness is crucial, insist on good rotation, fresh stocks, and proper credit or replacement for out-of-date goods.
8. Where vendors are paid cash for delivered merchandise at the store, make sure you count, get proper credit or replacement, and make out the proper billing records for cash paid-outs from the register. Check invoices for correct amounts, correct prices, correct extensions, and correct invoice totals.



CHECKING FOR UNDERSTANDING

1. What services do vendors give to a convenience store?
2. What obligations does the store employee have to the vendor?
3. Summarize the vendor's obligations to the C-store.
4. What is the recommended procedure for checking in an order from a vendor?
5. How can relations with vendors be kept honest?
6. After reading the section on vendor-supplied merchandising services, summarize the one you think is most valuable to the convenience store.



12

Assisting with Inventory Control

Objectives: After completing this assignment, you will be able to—

- explain how investment in a stock of goods earns money for the owner;
- distinguish between *profit* and *profiteer*;
- describe exactly what happens when inventory does not sell at its expected rate;
- tell why you should be concerned with inventory control;
- explain the relationship between inventory control and profits; and
- define *stock turnover*, and give the formula for calculating it.

Many people do not understand profit—what it is, why it is needed, and what happens to it. Many feel that it is unnecessary and that we would be better off if no one made a profit.

Profits and Why They Are Necessary

Let's assume that when you were born, a relative made a gift of \$1,000 to you for your college education. Your parents could have done several things with that money. They could have spent it. They could have buried it in a can and hoped no one would find it. Or they could have invested it for you. The investment would grow each year, earning interest. The interest plus the original money would be reinvested year after year, earning more and more.

By the time you are 18 years of age, that invested money will have grown considerably, to an amount large enough to start you in college. If, however, your parents had buried the money in a can and given it to you 18 years later, you would only have \$1,000—and the value would be much less than it had been because of inflation over the years.

The Money-Stock-Money Cycle

Retail store owners do exactly the same thing, using the same system. Only instead of investing the money in a bank where it earns interest, the owner invests in a stock of merchandise. By selling that stock over and over again, the small amount of profit it earns repays the owner for the use of the money. Interest on savings is a profit for the use of your

money. A net profit in a store is interest to the owner for the use of his or her money invested in the business. As long as profits are reasonable, everyone benefits from the system. Remember, there is a great deal of difference between profits and **profiteering**, which is making excessive profits.

The owner of your business has invested money in the business itself. To justify that investment, the owner must sell stock of merchandise each year for it to make a reasonable profit. The money after all costs and expenses have been paid is called **net profit** and is what the business earns for the owner. It is the owner's **return on investment**, or ROI.

If **inventory**, or the store's merchandise, is sitting on the shelf and

not selling very fast, it is just like money buried in a can. It is not earning anything and is "dead" or "buried" money. To be profitable, a retailer must have a limited inventory and a good turnover of that inventory, and every item must be selling well enough to justify having it in the store. That is where you come in. Part of your job as an employee is to help the owner find what stock is moving and what is "dead."

You may be thinking that inventory is the owner's problem. It is, but it is your problem, too. You see, the only way you can be employed and continue to earn a salary is for the owner to be selling the inventory. Your future with the company, including your advancement, is tied directly to how well the owner does in selling that inventory. So, it is your problem, and you have a stake in the healthy condition of the store as much as the owner does.

You may also be thinking that profits, inventory, stockturns, and returns on investment are accounting business. "Let the accountants and bookkeepers worry about all that," you might say. The truth is that to understand the basics of good business does not require financial wizardry—nor a college degree. All it takes is fifth-grade arithmetic and common sense.

It is simple as this to understand: A particular C-store is 60 feet by 40 feet, which is 2,400 square feet of space. Of that amount, only 842 square feet, or 35 percent, is devoted to actual stock display on counters and in the coolers. That amount of space has to hold a stock of goods that sells over and over during a period of time to produce

an average 3 percent net profit after taxes and expenses.

Now, you can begin to understand why it is so necessary to have only items that sell well, are profitable, and hold expenses to an absolute minimum. With a net profit of only 3 cents out of every sales dollar, you can see how excessive shoplifting or employee theft could wipe out a substantial amount of that profit. Let's see how the same thing would affect you with your investment.

Remember the \$1,000 that was invested in savings for you at birth so it could grow for later use? Suppose when it was time for you to go to college, the banker told you, "Well, you only have about \$1,000. I had some dishonest bank employees who stole your money, and this is all that is left." How would that make you feel? This is what happens when the owner of your business takes inventory and finds out all that net profit that was to be made has, in fact, disappeared. This is commonly called *shrinkage*, but it spells "loss" to the owner who invested all that money and has little to show for it.

The owner has limited space from which to sell. The products selected must sell fast enough to produce an adequate return on the investment. That is what inventory control is all about and what you must understand about the business operation. Nothing else matters if good merchandising and inventory control are not being used.

Stock Turnover

As described in assignment 9, stock turnover measures the speed

and efficiency at which items come into the store and are sold or converted to cash. *Turnover* (or *stockturns*) is the number of times items are purchased, stocked, sold, and additional items purchased to sell again. Naturally, the more times you can buy, sell, and buy again during a given period of time, the more money or profit you can make.

Turnover does several things:

- Keeps the stock fresh and new
- Allows the money to be "working" and productive
- Assures efficiency, that you are buying the right product
- Improves profitability

Also, fast stock turnover converted to cash allows the merchant to improve buying and take advantage of special promotions. Fast cash conversion means less borrowing at high interest rates as well.

Figuring Stockturns

The secret of a successful business operation is its ability to make a profit, and profitability comes from selling items with a high turnover rate. Turnover also keeps the retail price low enough to keep the business competitive.

If you are the owner of a gas station and your initial investment in a tank of fuel is \$5,000, you will probably sell and refill that tank one hundred times during the year. Even if your profit margin is only \$350, or 7 percent, per tank, your original \$5,000 investment will make you a gross profit of \$35,000 during the year, or a return of 700 percent. Even though the markup percentage is low, the turnover rate more than makes up the difference so that your total profitability is good.

On any single item of merchandise, the same principle is true. You

may have a product that is attractive and is fairly priced. But if it is moving too slowly, regardless of other factors, it is costing you money.

The formula used to figure stockturns and profitability is very simple and easy to use. During any given period of time, you take several inventories at the retail price. Average the inventories, and divide net sales for the period by the average inventory. The formula is:

$$\text{Number of Stockturns} = \$ \text{ of Net Sales} \div \$ \text{ of Average Inventory}$$

For example, assume that inventory is taken at the end of each month and you want to measure the stockturns for a three-month period. You take inventory at the beginning of the period and one at the end of each of the three months. This gives you four inventory figures. The average figure of those four inventories is divided into the net sales for that three-month period. What you are actually measuring is the number of times that stock is producing sales. The larger the number, the more efficient your operation.

Table 1 shows that during the period from March 1 to May 31, the inventory turned (was sold and replaced) more than three times. If the owner wants to improve on that figure, he or she has two choices: (1) increase sales or (2) decrease the inventory while maintaining sales. The best solution, of course, is to increase sales and decrease average inventory at the same time.

The above example would be about average for any retailer that maintains large inventories like some of the larger auto parts stores or other retailers that peddle goods

TABLE 1

Month	End-of-Month Inventory	Net Sales
February 28	\$23,500	N/A
March 31	22,500	\$27,000
April 30	24,000	23,000
May 31	23,200	23,500
Totals	\$93,200	\$73,500

Total Inventory of \$93,200 ÷ 4 Inventories = \$23,300 Average Inventory
 Net Sales of \$73,500 ÷ Average Inventory of \$23,300 = 3.15 Stockturns

that do not spoil easily, but not enough for an efficient C-store operation. Bread, milk, beer, soft drinks, tobacco, and fast food items need an annual turnover rate of about 24, or about one turnover every two weeks. If you think about it, items carried by a C-store are usually seasonal and have to be kept fresh. If you are not turning over fresh-control items like bread and milk at least once a week, you are selling stale or spoiled merchandise. On the other hand, soft goods, canned goods, and boxed groceries do not require such a rapid turnover. So, stockturns will vary by products and department. It is the average of all these items together that measures the efficiency of the operation.

Take a closer look at the three-month period used in the previous example. Most C-stores do not have a reserve stockroom for storing large quantities of merchandise. The actual stock is on the shelves and in the cold case. Items are being replaced during the week and all month long, depending on how fast each item is selling. When you look at the figures, you see that the average inventory on hand is about

\$23,000. The owner is spending that much money, on the average, each month to restock the store. If the average markup, or **margin**, is 30 percent, 70 percent of each dollar is the actual cost of that inventory. However, remember that the other 30 percent has to be used to pay all the expenses of rent, utilities, taxes, insurance, and employee salaries.

On the average, a C-store owner realizes only 2 to 3 percent net profit after taxes on the sales. Using the foregoing example, for a three-month period the owner would make less than \$2,500 in profit. That is, if there are no unexpected or unplanned-for losses. If there are, the funds to pay for the loss must come from the net profit.

Turnover and Profits

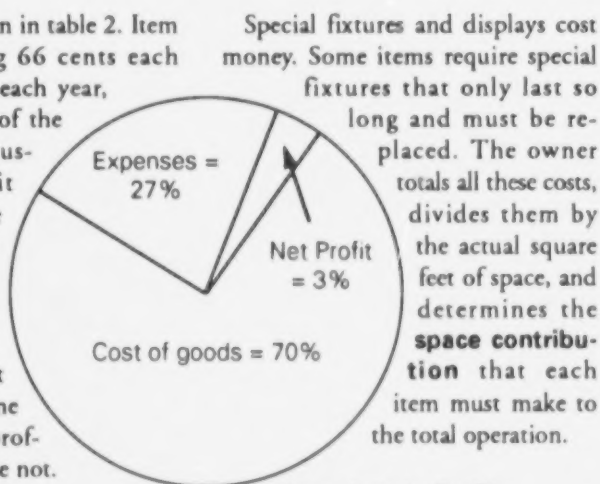
Assume that you own a C-store. Your average cost of goods is 70 percent, and markup is 30 percent. Since expenses amount to 27 percent, this means a planned net profit of 3 percent. It looks like the pie chart shown on page 84.

Item A retails for \$1.00 and turns or sells at an average rate of 22 units each month. The calculation would

TABLE 2

Retail sales, 22 x \$1.00 = \$22.00			
Cost of Item A (70%)	0.70 x 22 =	\$15.40 per month	
Expenses contribution (27%)	0.27 x 22 =	5.94 per month	
Net profit contribution (3%)	0.03 x 22 =	<u>0.66 per month</u>	
		\$22.00	

look like that shown in table 2. Item A is contributing 66 cents each month, or \$7.92 each year, toward the profit of the store. Does that justify the space it occupies in the store? The owner only has so much selling space. He or she must calculate the cost of that space and determine which items are profitable and which are not.



Space Contribution

It costs a lot to put any item into a store for resale. The store building, the land, the rent, utilities, taxes, insurance, and personnel to operate the store cost money. The equipment on which the item is displayed and all the equipment it takes to operate the store also cost a lot of money. These are known as **capital expenditures**, and they decrease in value each year, or **depreciate**. For example, cold soft drinks must be refrigerated. The cost of the cold case, plus utilities to operate it, is expensive. The actual square feet of selling space must produce enough return to pay the cost of keeping the merchandise there. Refrigeration equipment requires frequent servicing and maintenance and may eventually have to be replaced. All this costs money.

Inventory to Profit

A store owner invests money in business with the expectation that it will produce a reasonable return, interest, or profit after paying the owner a reasonable salary if he or she also manages the staff. If the return on investment is too low, the owner would be better off to put his or her money into stocks, bonds, or short-term notes that pay a guaranteed interest and work at a salaried job with good benefits.

On the other hand, the owner has decided to take the risks of business with the expectation that both long-term and short-term investments will pay more than the normal stock-and-bond markets. The business itself—building, land, equipment—is a long-term investment. The inventory to produce income is a short-term investment. It is the

inventory of stock to be resold that produces the income. What the owner must do is determine what goods can be sold, at what quantity, how often, and how much profit of income each item will produce.

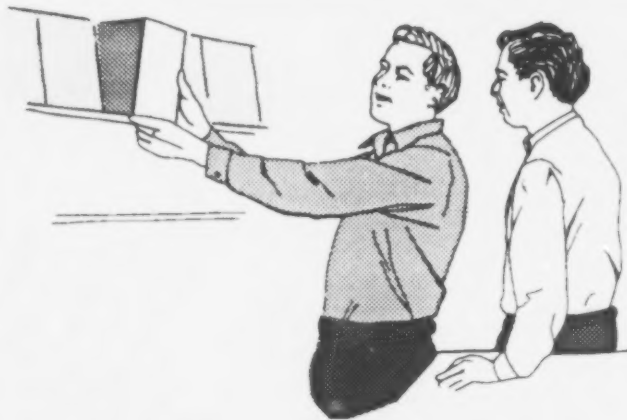
Following is an example of a grocery item—dog food. Grocery items like dog food require no special fixtures or refrigeration equipment. Their only costs include their share of occupancy costs, equipment depreciation, and utilities. Table 3 demonstrates what the actual breakdown would look like. In the table, First Prize Dog Food has annual sales of 288 units (48 times 6). The gross margin is 10 cents a unit, or \$28.80. The occupancy cost is \$16 times 1.5, or \$24.00. Therefore, with a gross margin of \$28.80, the dog food will pay for its occupancy cost, provided it continues to sell at the normal or expected rate. Once sales drop below the occupancy cost per square foot, the items will have to be removed, or space greatly reduced to produce the same number of dollars.

Your Job in Assisting with Inventory Control

Nearly all of your stockkeeping, ordering, receiving, and merchandising duties relate to inventory control. If you work with the store's stock every day, you become familiar with items and how they are selling. You can easily note when sales dramatically increase or decrease on any item. Inventory build-up forms develop a history of sales volume for each item and help store management decide which items to discontinue to make room for new items. Your job is to make sure that management or the owner is aware of noticeable changes in sales or popu-

TABLE 3

Item:	First Prize Dog Food
Pack:	48 16-ounce cans/carton
Cost:	\$11.04/case (23¢ unit)
Retail:	\$15.84/case (33¢ unit)
Annual Sales:	6 cases
Fixture:	4-shelf gondola
Quantity:	48 cans
Space:	1.5 square feet (6 facings)
Occupancy Cost:	\$16.00 per square foot of display space



Each employee should understand the importance of inventory control to the profitability of the business.

larity of particular goods. You also know what items customers ask for that you do not have. You may have the assigned duty of checking competitors for particular items and prices.

Good **inventory control** begins with good stockkeeping and ordering habits. You must not overorder or underorder to such an extent that an item is either overstocked, which ties up money, or understocked, which decreases sales.

You should keep your shelf stock so arranged that quick tallies and counts are easily made. Your inventory must be accurate. You must record exact counts on hand, cost codes, and retail prices. You must keep accurate records of items removed from stock for salvage, markdowns, or trash. Accurate record keeping, accurate counts, and physical observation of movement of goods are valuable contributions you can make to the store.

capital expenditure—durable, but expensive, item necessary to operate a business

depreciate—decrease in value

inventory—(*noun*) stock of goods on hand and available for sale; (*verb*) to count items of stock on hand, recording cost and retail price, in order to determine profitability and efficiency of the entire operation

inventory control—any of several methods used to regulate the ordering and on-hand amounts of an item so that the business is neither overstocked nor understocked, ensuring maximum profitability and efficiency

margin—amount added onto cost price of an item to arrive at selling price or retail; also called *gross profit* and *markup*

net profit—money resulting from sales after all costs and expenses have been paid

profiteering—the act of making large, unusual, or unfair profits during times of emergency or economic crises; it involves taking advantage of consumers due to a shortage of materials or supplies, being first on the market with a new product, or being the only supplier in the community that sells the product

return on investment—the net profit a business earns for its owner

space contribution—the minimum amount of margin an item must contribute to the business based on the actual square feet of selling space it occupies

Words to Remember

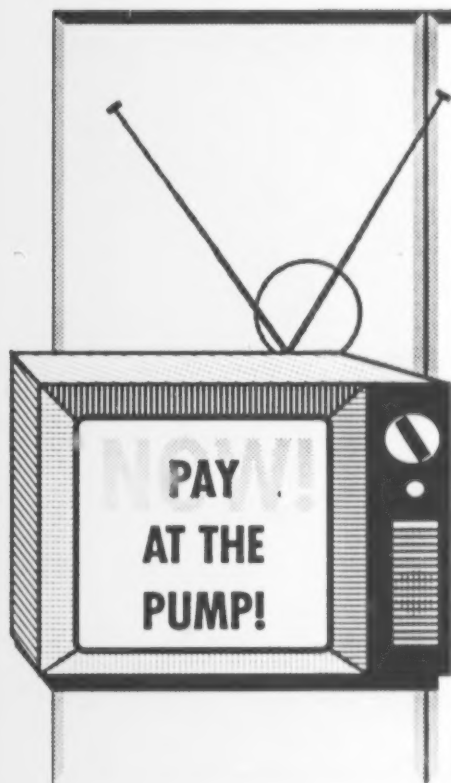
Summary

Retailers will not stay in business very long if their stores realize no profits or, even worse, cannot meet their expenses. The way profits are made in retail stores is through quick and steady turnover of goods and services.

The faster the turnover, the more profit is made. Therefore, it is important to understand how to calculate turnover rates and how to increase them.

CHECKING FOR UNDERSTANDING

1. How does a business owner earn money on an investment in a retail store?
2. Define the words *profit* as a noun and *profiteer* as a noun, using a dictionary, if needed.
3. What is the net result of inventory sitting on the shelf and not selling at expected rates?
4. Why should you, as an employee, be concerned with inventory control and profits?
5. Define *stock turnover*.
6. What formula is used to determine number of stockturns?
7. Define the net profit made by a retail establishment during a given period.



13

Controlling Losses and Shortages

Objectives: After completing this assignment, you will be able to—

- discuss why most small businesses fail;
- tell where losses come from in the operating budget;
- describe ways most losses and shortages can be prevented; and
- give nine rules for a system of tight controls.

Every day many small businesses go under. Most of them appeared to be prosperous, with plenty of customers. Yet they went broke—not for economic reasons—but because of poor management. One such typical case was Mr. C., an excellent mechanic who had built up a steady business over the years. He had customers waiting for a week or more to have him work on their cars. He bought a service station that had a good business, and Mr. C. never lacked for customers. The pumps, service bays, and repair shop were always busy.

But one day Mr. C. learned from his accountant that he was broke. He could not understand why. He sold out at a loss. The new owner made it into a profitable business in less than a year. What was the difference? One was a good mechanic

who did good work, and the other was a good manager. One is not synonymous with the other. It takes good management to make a business a financially sound, paying operation.

Why Many Small Businesses Fail

The foregoing illustration is repeated over and over. In an annual report on the status of business in America, Dun & Bradstreet cited poor management as the top reason small businesses fail. So many times the owner or manager is fooled into thinking that the business is sound just because it looks good. There are plenty of customers, the employees are busy, and stock turnover is high. Appearances are deceiving. A business can be "on the rocks" financially and still look prosperous. The

business can go broke from losses caused by poor bookkeeping, employee dishonesty, inadequate inventory methods, loose methods of handling cash and credit charges, and a number of other reasons.

Why Losses Happen

The Result of Shortages

Too many owners and managers of small businesses just assume that losses and shortages are part of doing business. They think that losses and shortages are part of everyday business expense and that nothing can be done about them. A **loss** is a condition in which costs and expenses exceed income. A **shortage** is a difference between the estimated sales, profits, or money on hand and the actual sales, profits, or money on hand.

Let's say that you have a business that has a net profit in the markup to give you 10 percent, or 10 cents out of every dollar. That is high, but not impossible. If you have a loss or a shortage of \$400, that amount can only come from one part of your operating budget—your net profit! An **operating budget** is a financial plan that estimates how much a particular business will generate in revenues and expenses over a specified period.

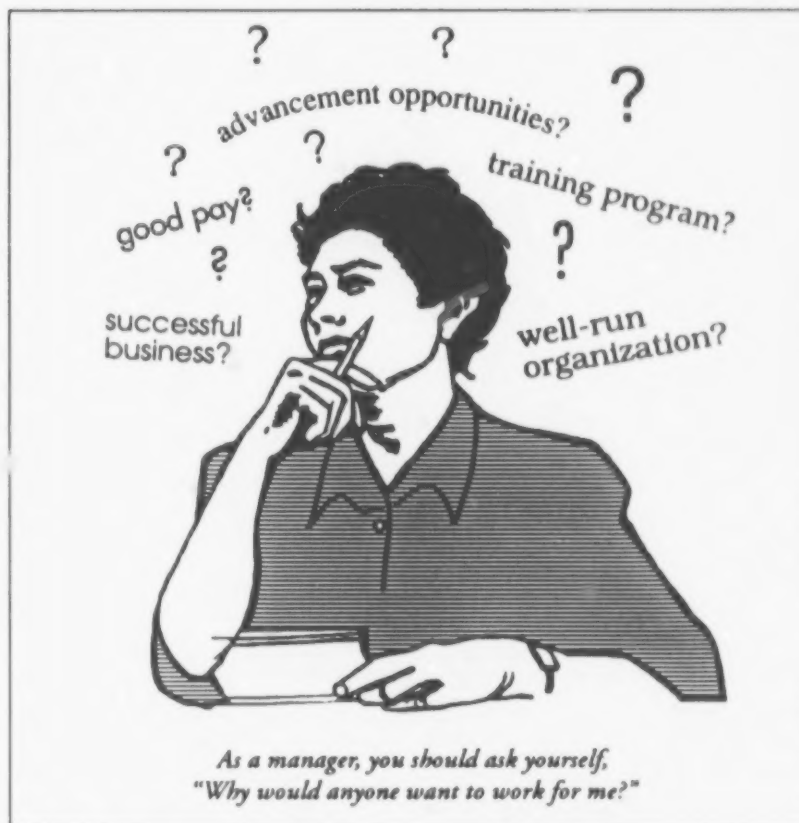
To make up for that \$400 loss, you have to sell an additional \$4,000 worth of products and services. If you don't, then your net profit for the period is going to be \$400 less than what it should be. It is the same thing as making a mistake in subtraction in your check-book. At the end of the month, your bank statement shows that you have less than you thought you did. It doesn't make any difference what your balance shows. The real balance is the only thing that matters.

Another way to think about losses is what they do to you, the owner. What is your net profit percentage supposed to be? If it is 5 percent, then each dollar of loss or shrinkage is \$1.05 out of your pocket. If the net profit is 7 percent, then each dollar loss is \$1.07 out of your pocket. Shrinkage or loss is like a silent thief with a hand in your pocket, robbing you constantly.

How Losses Happen

There are numerous ways that losses and shrinkage happen. Here are the more common ones:

- You fail to take a daily inventory of high-cost items.
- You fail to check your register and sales invoices daily.
- You fail to check your credit



- card invoices daily and keep them locked up.
- You fail to use job tickets with numbers on every service job performed.
- You fail to check incoming merchandise and inspect for shortages or damage.
- You don't follow up on information supplied by job applicants. You don't call their references or run a credit check on them. You take their word at face value because you are anxious to hire someone.
- You don't price-mark your merchandise, or you use a grease pencil or other easily altered form of marking.
- You are away from your place of business quite often and seldom come around on your off-duty times.
- You don't have any security system on your storeroom, and all doors have only single locks.
- All employees are allowed to operate the cash register.
- You fail to gauge your fuel tanks daily and after each delivery.

It is true that you cannot prevent all losses, and the owner or manager cannot be every place all the time. However, even with a burglary, robbery, or shoplifting, many losses can be prevented. Most shortages and losses occur in small amounts, but over a period of a year or even several months the total is staggering. The losses are enough to wreck a normally healthy business because of negligence or poor management practices. To prevent them, you must have a good system of controls and well-trained employees.

Methods of Controlling Losses

Hire and Train Good Employees

The first and most important rule of running a good business is to have the right kind of employees. Employees can either make or break your business. The first question a business owner or manager asks is this: "Why would anyone want to work for me?" What attracts good employees to a place of business? What can you offer? What are people looking for in a place of employment?

These guidelines should help you answer these questions.

1. People want to work for a winner. Is your business successful, or does it look successful? Do you have plenty of customers and traffic to keep your employees busy? Your place of business should be clean and attractive, a place where people can work with pride.
2. People want to work where there is opportunity for advancement. Do you promote your employees? Do you have incentive plans? Do you reward good work? Are you fair in your promotion policies?
3. People expect to be paid a fair and decent wage in accordance with the prevailing standard of living. No one expects to make a fortune, but employees do expect a fair wage for the work they do. Underpaid or poorly paid employees usually find ways to make additional money. They will probably begin by doing it at your expense.
4. People expect to be trained to do their job. Adequate training pays many dividends. A

trained employee is happier and better motivated. There is less likelihood of mishandling of money, invoices, and records when employees are trained and know what to do and when to do it.

5. People want to work where there is organization. No one enjoys working where there are too many or too few bosses. Nearly all employees want to work within a well-run structure where everyone knows his or her job. People want to know they can be trusted and given responsibility. Most will abide by the rules when the rules are known. And the rules must be consistent and consistently enforced. Otherwise, the organization, morale, and spirit of the workers are diminished.

Select Employees Carefully

You may be desperate for help, but it is a mistake to hire someone just because you need them. It shows poor judgment to hire with the idea that "if he or she works out, I'll check the references later." By the time you check, it may be too late.

For each job position, good managers have some basic qualifications that they expect the applicant to have. This means having at least an idea of a job description and the duties, responsibilities, and skills you expect. Check the application carefully. Look for inconsistent dates or gaps in employment. A missing employer may be your cue that the person was fired for dishonesty, absenteeism, or perhaps a drinking or drug problem. All places of employment should be called. Ask the person if he or she would rehire

the applicant if given another chance. If not, why wouldn't they rehire? Make sure that all telephone numbers and names given are for legitimate employers.

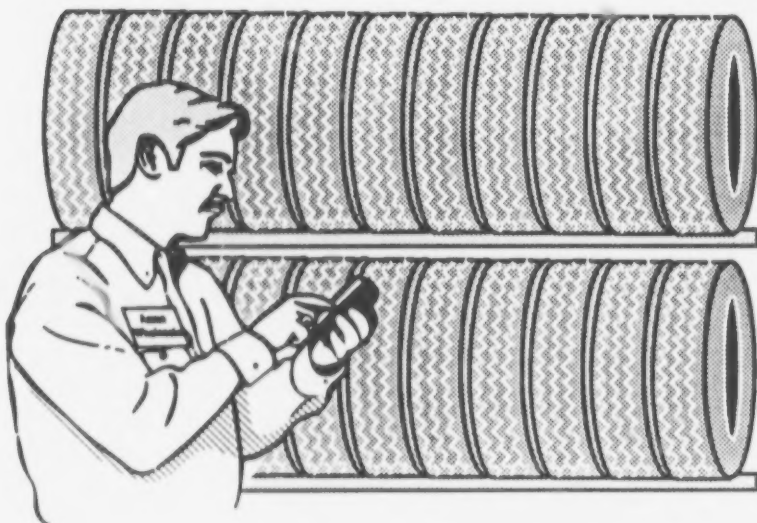
Take time with the interview. After all, a few extra minutes spent in the interview may save you many dollars. Don't make hasty decisions or jump to conclusions without giving the individual a fair chance. Make sure the applicant understands the nature of the job, the duties, the hours of work, and the rate of pay. If the applicant hesitates or answers vaguely, then probe deeper to see if the person really wants the job or is just taking it until something better comes along.

Have a System of Tight Controls

An employee should know from the first hour on the job that there are certain expectations and a system of controls. The employee



You should screen all applicants carefully.



You should take inventory of expensive items daily.

should know that you have checks to keep up with what is happening in the business. An essential part of any good business operation is a system of controls—on money and on merchandise.

1. Establish a daily checkout.

You should have a record for every merchandise and service sale. If not, then all transactions cannot be checked. Any weakness in your control system is an invitation for dishonesty. Without invoices or records, you cannot check out each day and know how to account for every sale or service. If your business operates on long hours, with two or more shifts of employees, you should have records for each shift. A single person must be in charge during each shift.

2. Balance out each day. If every transaction is recorded, then it is easy to add up all the tickets, sales slips, register receipts, and invoices. The total amount should be equal to the amount of cash and credit invoices received during the same

period. If you begin with a change fund, then the same amount is taken out, and the remainder is cash sales for the day. Significant differences between cash on-hand and sales should receive your immediate attention. Try to trace the missing cash or invoice to the person responsible. Take immediate steps to correct the situation and find a better method of control. Once your employees know that you are on top of the situation each day, the temptation for theft is reduced.

3. Take inventory of expensive items daily. Have a system to check out merchandise from the reserve stock. Use a numbered job ticket and invoice system so you can more easily trace a lost or missing record. In a service station, record stock numbers of items so you can account for who sold what and for what amount. Gauge your fuel tanks daily so you will know exactly how much you sold and what amount of cash or credit was received for those sales.

4. Safeguard your cash. You must insist on every penny of cash sales being registered immediately. Check the change drawer often, and remove large bills and stacks of bills. Enforce rules on cashing personal and payroll checks. Make a bank deposit at least once each day. Never leave cash on the premises, even if you think you have a safe hiding place. Never leave the cash register drawer open and unattended. However, leave the empty register drawer open when the store is closed so a burglar will not ruin the register trying to open it.

5. Keep tight security on credit card invoices. Dishonest people always think up new ways to cheat, and credit card invoices are no exception. Remember that credit card invoices are the same as cash, and treat them in the same manner.

6. Keep up with labor charges. In a gas station or automobile specialty shop, all service work should have two records—a **work order** that authorizes the service work, and an invoice that shows the work and charges. Do not allow any work done without an authorizing work order. In this manner, you know which employees are working and the amounts being charged for their labor, which prevents "free" labor for friends and relatives. It also helps you know if your service department is paying for itself or if it is costing you.

7. Check your merchandise receipts. Never assume that all merchandise delivered to you is correct. Always count and inspect the shipment. First, check the invoice against your purchase order to make sure that you are getting what you ordered. Second, check the ship-

Words to Remember

controls—management system used to account for all money and merchandise transactions

loss—a condition in which costs and expenses exceed income

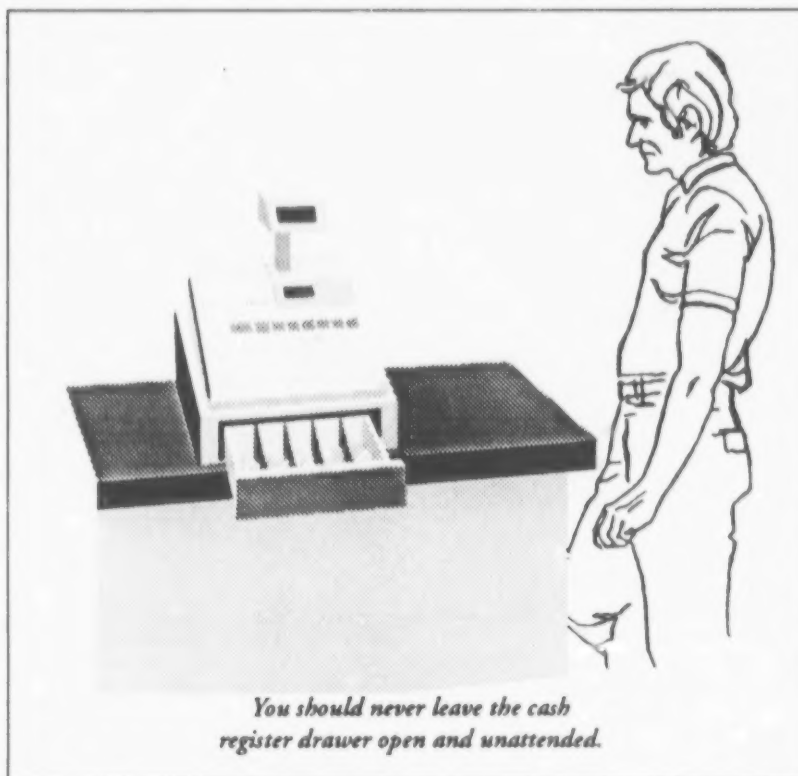
operating budget—a financial plan that estimates how much a particular business will generate in revenues and expenses over a specified period

optical scanner—an optional feature of electronic cash registers which reads bar codes, eliminating the need to enter prices or stock numbers manually

shortages—a difference between the estimated sales, profit, or money on hand and the actual sales, profit, or money on hand

work order—a ticket signed by the customer authorizing the service work and estimating the amount due

ment for correct stock numbers, brand names, sizes, and qualities specified. Third, check the shipment to make sure there are no shortages, substitutions, or damage. File damage and shortage claims immediately with the vendor or transportation company that made the delivery.



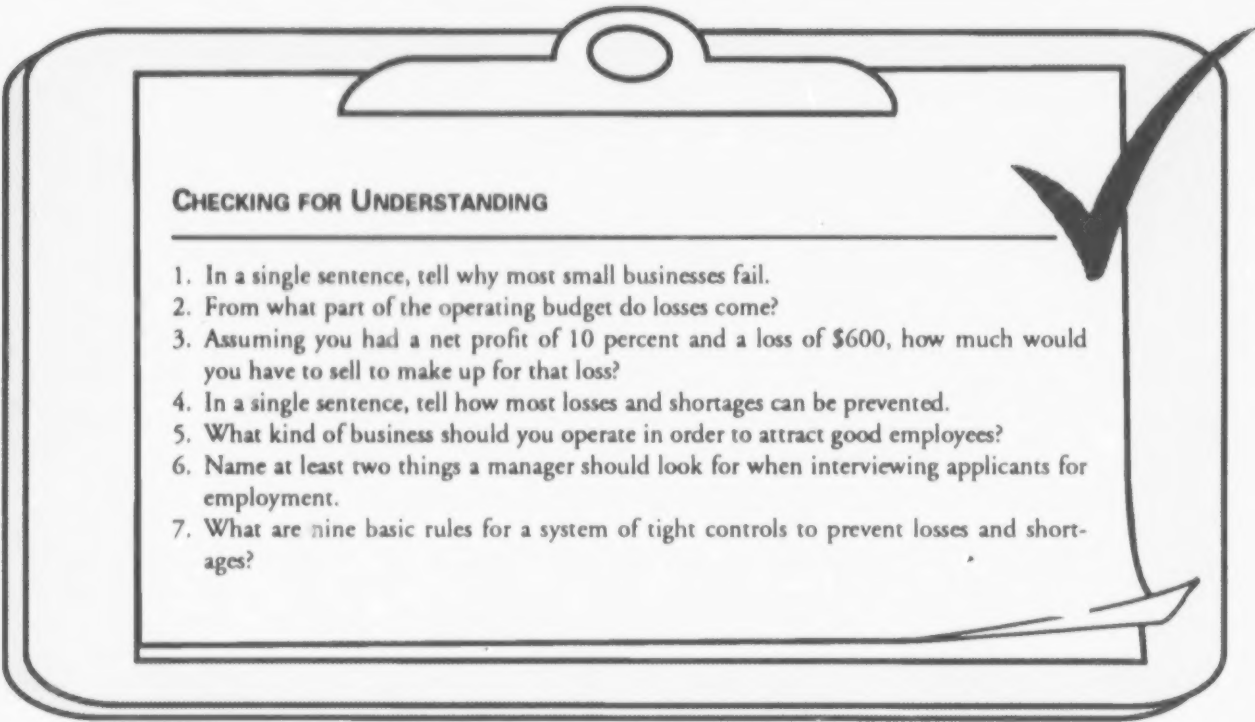
8. Price-mark all merchandise. Unmarked merchandise is fair game for both the dishonest customer and the careless employee. Most employees will undercharge rather than overcharge for unmarked goods. If your C-store doesn't have an **optical scanner**, which is used in sales and inventory to electronically "read" merchandise information, you should use gummed or stick-on labels or indelible ink, but not a grease pen or china marker. Any unmarked item should be price-checked before it is sold to the customer.

9. Be constantly alert. Use your eyes and inspect your entire place of business frequently. Let employees know that you are alert and that you run a "tight ship." Employees respect a place that is well organized and run in a businesslike and professional manner. Inspect your

inventory often. Look for places around the premises where break-ins might occur. For instance, look for ladders left outside that may be used to get up on the roof. Check all outside doors and entryways for loose doorknobs, hinges, or unlocked doors. Look for loose ventilators and transoms above doors. Make sure all windows are secure.

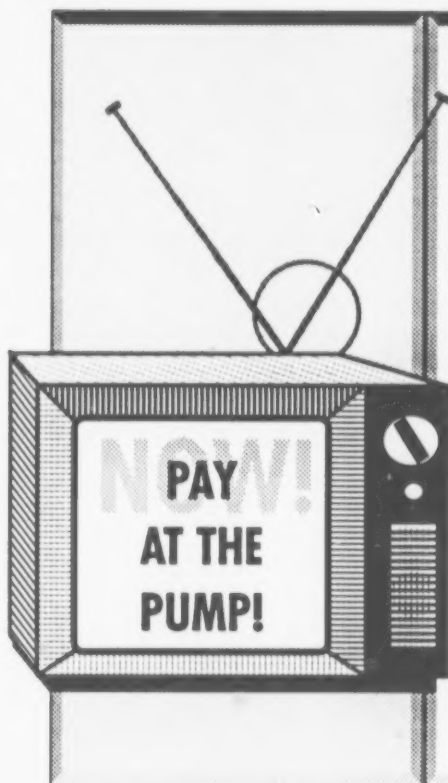
Summary

Many businesses can go broke from losses caused by poor record keeping, employee dishonesty, inadequate inventory methods, loose methods of handling cash and credit charges, and a number of other reasons. By hiring and training good employees and having a tight system of controls, managers can help ensure the success of their businesses.



CHECKING FOR UNDERSTANDING

1. In a single sentence, tell why most small businesses fail.
2. From what part of the operating budget do losses come?
3. Assuming you had a net profit of 10 percent and a loss of \$600, how much would you have to sell to make up for that loss?
4. In a single sentence, tell how most losses and shortages can be prevented.
5. What kind of business should you operate in order to attract good employees?
6. Name at least two things a manager should look for when interviewing applicants for employment.
7. What are nine basic rules for a system of tight controls to prevent losses and shortages?



14

Promoting the Business

Objectives: After completing this assignment, you will be able to—

- explain why promotion of new business is a constant objective;
- discuss what is meant by setting objectives for promotion;
- name eight forms of promotion; and
- plan in detail a promotional campaign that has a predetermined objective.

There is one fact that you must learn about a business operation. A business cannot stand still and remain in business. A business is like any living thing. It is either growing or dying! You cannot operate this year on exactly the same amount of business you did last year. The rate of inflation alone will do you in unless you promote new business.

The Need for Promotion

We are a mobile society. Even though the rate is declining somewhat, about 17 percent of the population moves from one region to another each year. In other words, about one out of every five families move each year. That means that you will lose one of every five of your regular customers each year! You will also lose customers to

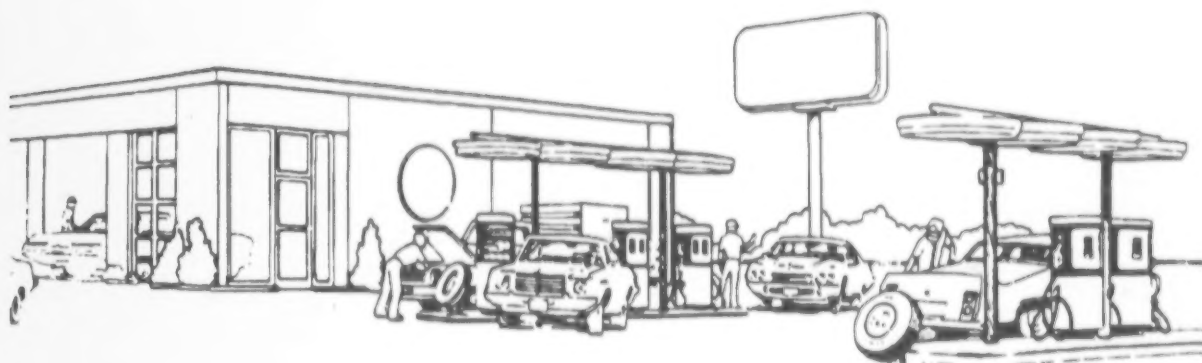
competitors, which are other C-stores, gas stations, or specialty shops that operate in your town or city.

You must try to gain new customers to replace those who move and to regain the regular customers who were enticed by other businesses. Finally, you must increase your business activity to meet your planned goals and objectives. No one plans to stay still or remain "even." You always plan for growth in sales, profits, and expansion. It is the only way you can stay healthy and stay in business.

Finding new customers is one thing, but you must also try to retain the business you have. Before thinking about **promotion**, you should take a look at your place of business. Find out exactly why cus-

tomers come into your store to purchase your products and services. Only if you can answer yes to the following questions should you begin to find ways to promote your business.

- Is it attractive?
- Is it clean?
- Is it well stocked with the merchandise that your customers want?
- Are you in a good location?
- Do you offer the services that your customers want?
- Are your prices competitive?
- Do your employees represent you well and convey the desired image to the public?
- Are you open the hours the most business can be conducted?
- Is your service work dependable?
- Are your policies reasonable?



Customers are attracted to clean, well-lighted, and active businesses. (Courtesy Mobil Oil Corp.)

Finding New Customers

To find new customers, you must know your potential market and market area. While many of America's C-stores, gas stations, and automobile specialty shops are part of national chains, whose advertising budgets run into the millions, there remains a need for local **advertising**. National advertising campaigns cater to a broad segment of the population, not necessarily to your business's neighborhood.

Begin by defining your **market area**, or where your customers live, commute, or work. A city map will help. Locate your place of business, and then decide how far your customers will have to travel to reach you. What can you reasonably expect? If you offer the right kind of promotion, you can attract customers from a great distance. But can you count on these to be permanent or regular customers? Probably not.

For most small automotive products and service-type businesses, a distance of two or three miles is about standard. Remember, too, that most people in the United States live close to a C-store. And

because C-store customers usually make quick stops to buy only a few items, they are not likely to travel farther than they have to to make a purchase.

Using a scale, you can put a pin at your location, and then draw a one-mile circle, a two-mile circle, and a three-mile circle. These are reasonable limits of your market area.

The second step is to find out approximately how many people and/or vehicles are within your market area. These can all be considered as potential customers. Information of this nature is available from the local chamber of commerce, city directories, and other marketing institutions. A local advertising agency can also be helpful.

A third step is to decide how best to contact these potential customers and bring them to your station or place of business. This is the job of promotion and the media.

Planning Promotion

Promotion is the various means or methods of informing potential customers about a store's products and services. **Mass communica-**

tion, such as newspaper or television advertising, is used because individual contact is too time-consuming and expensive. It is possible to use telephone contacts or a door-to-door campaign, but this will only work in some communities and types of neighborhoods.

Set the Budget

Before planning or mapping any kind of promotion strategy, you must first decide how much money will be spent. Promotion expense is a budget item just like any other expense. Normally, 2 to 4 percent of sales is reasonable promotion figure. Five percent for most businesses is maximum. Retail service stations can usually expect a promotion budget of 1 percent of sales, or even less for a well-established business.

If you are a new business in a new location, then you may have to spend more than 5 percent to attract new customers and get your reasonable share of the market. This decision depends a great deal on your market, and how much competition you have. Once you establish your dollar budget for promotion, then you know how much money you have to work with. You plan according to the dollars you have.

tion is probably less effective than the distribution of flyers, considering the costs involved. Either the owner or designated employees use a special directory to call potential customers within the market area. This service can be performed by paid telephone solicitors, as well.

Flyers. Single sheets of paper delivered door to door, by mail, or by newspaper insertion are called flyers or circulars. This low-cost method of distribution is sometimes very effective.

Publicity. There are several forms of publicity. It can be some sort of free service offered by the local newspaper that reports a new business or a relocated business. It can report a special trip or event won by the local business. Publicity can report the owner being given an award at a state or national meeting, or being elected to office in a trade association. It can report the business's sponsorship of a community service or charitable organization. Anything of an unusual nature that involves community affairs, human interest, business news, or civic

sponsorship can provide free publicity. This calls attention to the business itself and lets the public know of its involvement in civic and charitable organizations.

Credit. A tool for increasing or creating new business activity, credit allows many people to purchase merchandise if it can be charged or put on an extended payment basis. The interest rate charged for credit seems to be a very minor factor in the customer's decision to buy. Oil company credit cards are normally used to charge gasoline and motor oil purchases, as well as the usual service and maintenance jobs. Most businesses now accept credit cards and bank cards for purchases.

Some dealers and retailers who do not want to pay the service fees that credit card companies charge have their own credit system. However, caution must be used in extending credit. It is costly, time-consuming, and in most cases does not pay for itself unless there is a large volume of sales. Most dealers do not have enough capital to finance their own credit department. This means the

dealer gets none of the interest, and in fact must sacrifice a small percentage of the markup.

Cooperative advertising. Another kind of promotion in which the retailer either shares expenses with or uses the promotional tools of another company is called **cooperative advertising**. Some companies may offer to split the cost of an advertising campaign if their products are mentioned in the advertisement. In addition, oil companies often provide gas stations with display racks and signs. Many food companies also do this. Retailers may also wish to share promotion costs with neighboring businesses. It isn't uncommon to see C-stores or gas stations located adjacent to fast-food franchises, especially near highways. In this case the two businesses may wish to rent billboard space together to advertise their complementary products—gasoline and food for travelers.

These are just the more traditional means of promotion, but there are hundreds more ways to advertise a business, from peel-off games to telephone directory advertising to word-of-mouth to coupons printed on the back of receipts. See how your competitors are advertising. Is it working for them? Be creative! Often the most effective advertising is that which is the most original.

The Promotion Campaign

To illustrate how a promotion campaign is designed, built, and implemented, we will use an example. The business is Quick Stop, an independently owned C-store. The store carries a good selection of convenience items, as well as gasoline.



Personal solicitation can be time-consuming.

Quick Stop is fairly new in the community. It is located on a busy six-lane divided traffic artery in a city of 100,000 population. Although the market area includes four smaller communities that use this main traffic route, the store is immediately surrounded by several large office complexes.

Planning and Implementing the Campaign

The owner of Quick Stop wants to get a good share of the local market as well as some of the immediate trade area. The owner believes that the largest dollar sales potential and profit are in promoting products needed by the office employees who work nearby. Quick Stop has a budget of 4 percent of sales for promotion. Since annual sales are expected to be about \$600,000, this gives a planned promotion budget of \$24,000.

Since the main objective is to attract the employees of local businesses, Quick Stop wants the major portion of the budget directed toward this end. In working out the plans, the owner decides to use newspaper and radio spots. The plan is to concentrate a major pro-

motion effort for two months in order to generate traffic rather quickly. The promotion effort will emphasize the products most needed by people on their way to work, on their way home from work, or on a lunch break, such as quick lunches, fountain drinks, coffee, newspapers, and gasoline.

Because the owner realizes that the audience he wants to target is generally in a hurry, quick service will also be promoted. To bring the store to the attention of those who work near the artery but live a little further away, the owner decides to advertise in a local paper that is distributed in the four small local communities. The newspaper ads will list products and a discount coupon designed to encourage customer traffic. This effort will be reinforced by fifteen-second radio spots on two local stations. The programming format of the two radio stations reaches more than half the potential market. These spots will run two months during the promotion time.

To reinforce the newspaper and radio spots, the business itself will have outside banners and displays calling attention to the same promo-

tion. Interior signs and banners will coordinate the effort. To bring in more customers, fountain drink specials during the warmer months and coffee specials during the colder months will be offered. The owner will try several methods, including a free drink with a fill-up of gasoline and a large drink for the price of a small one, to see which works the best.

Evaluating the Campaign

Any advertising effort or campaign needs constant evaluation. One way to evaluate this campaign's effectiveness is to count the number of coupons redeemed for services. These should be counted weekly and plotted on a chart. The weekly redemption rate will give some idea as to what times and seasons are best for this kind of promotion. Another evaluation method is to compare the sales of the advertised products or services with those that were planned or with those just previous to the promotion. Did the campaign increase sales? If so, which weeks showed the greatest gain? Did the campaign pay for itself in increased sales? How about the profit rate? Did the increase in profits pay for the costs put into the promotion of the business?

advertising—calling the attention of a store or a particular product or service that a store offers to the public by means of newspapers, television commercials, radio spots, or other forms of mass media

competitor—another business selling similar products and services to your customers and potential customers

cooperative advertising—method of sharing advertising costs with the supplier of merchandise you sell or with other retail operations

market area—the area around your store from which you can reasonably expect demand for your goods and services

mass communications—methods of getting the same message to large numbers of people

objectives—aims or goals that enable the end result of a particular strategy or campaign to be met

promotion—the various means or methods of informing potential customers about a store's products and services

Words to Remember

The owner can use these results to help guide those for the following months and years. The owner will find that certain kinds of promotion get good response while others do not. Some things that look good will not be productive. Other ideas that seemed futile will produce excellent results. Even if the promotion budget is reduced the next year, the dollars spent may produce more sales for the previous year. You best learn about promotion through experience.

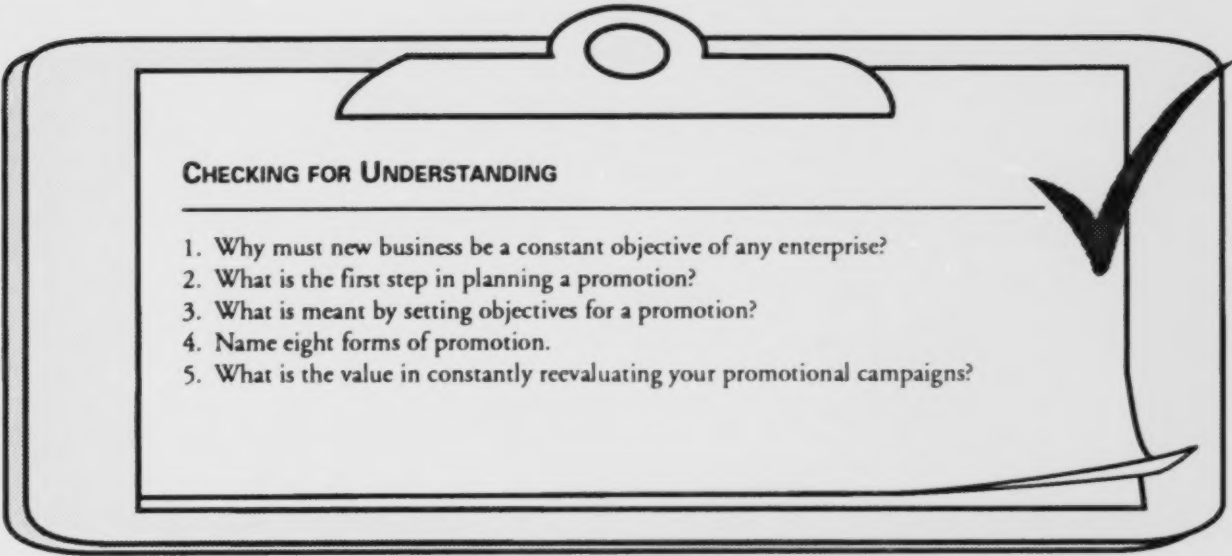
Promotion pays for itself when you follow these rules:

- Promotion must be budgeted.
- Promotion must be planned.
- Promotion must achieve some pre stated goals or objectives.
- Promotion must be evaluated constantly.
- Promotion should be professionally designed and executed.

Summary

Promotion includes the various means or methods used to communicate a message to a mass audience. Promoting a business well can lure new customers to a store as well as

ensure that regular customers remain regular customers. A promotional campaign is an advertising program through which a store owner or manager hopes to achieve a set of objectives. The objectives can range from increased sales of a particular product to the enhancement of a particular store's image. After the promotional campaign, the owner should evaluate the results to ensure future business success.



CHECKING FOR UNDERSTANDING

1. Why must new business be a constant objective of any enterprise?
2. What is the first step in planning a promotion?
3. What is meant by setting objectives for a promotion?
4. Name eight forms of promotion.
5. What is the value in constantly reevaluating your promotional campaigns?



PART IV

Employment Opportunities



15

Getting the Job and Training

Objectives: After completing this assignment, you will be able to—

- tell what qualities an employer looks for in potential employees;
- explain the importance of appearance and personality when applying for a job;
- define *training*; and
- explain the difference in hiring, training, and advancement opportunities between small and large organizations.

If you are career-minded and like the C-store, gas station, or automobile specialty shop business, you have excellent opportunities to move into supervision, management, and private ownership. The move upward does not take nearly as long as it does in many other kinds of marketing businesses because of the smaller size and greater numbers of these types of businesses. But you cannot expect to be given a supervisor or manager position upon entry into the business. You, as a prospective employee, will undergo an intense selection process and in-depth training before attaining even your first position.

Getting the Job

Store managers look for several qualities in prospective employees.

A person's intelligence can be partly assessed by looking at a high school transcript. The courses taken and grades received tell the manager something about the person's ability, interest, and intelligence. A high school education is often a minimum requirement to be hired at many businesses. (However, businesses will often not rule out an older person who may not have finished high school because of economic reasons. Often, the older person has experience, common sense, and good judgment, which are valuable assets at any business establishment.)

Personal appearance is certainly important. A store's **image**, or the popular conception the public has about a particular business, and its reputation are generally judged by the appearance and manner of its

employees, as well as the physical appearance of the store. Cleanliness, good grooming, and tasteful haircuts are factors that many employers consider because customers notice these things and make judgments about the store based on them.

Your **personality**, or the qualities and characteristics that make you a unique person, is just as important in petroleum marketing businesses as in any other retail businesses. Customer relations are so vital that an employer cannot afford to hire someone who does not relate well to customers. They look for people who smile, are pleasant, and use good grammar when speaking. Managers also look for people who are honest—someone they can trust and depend on when they are not present. Where it is legal to do so, many firms use a **polygraph**, or lie

detector test, which is useful but not foolproof. Most companies that use polygraph testing are looking for drug and alcohol abuse. Some companies require drug screenings as well.

One of the most common ways managers check on prospective employees is by checking with previous employers. They will ask for a personal history of employment with dates, company names, and addresses.

You should also be well prepared for a personal interview. Most managers will ask why you left your last employer, and what you liked and disliked about your last job. They will often ask why they should hire you, and why you would like to work for them. You should think about how you would answer these questions before the interview.

Training

Training is more than telling someone what to do or letting the trainee simply observe the trainer. **Training** is personal involvement with the process or the job tasks. No employee can adequately learn to perform satisfactorily unless each task or step of a job has been thoroughly explained and demonstrated, and the trainee—you—allowed to perform it.

Typical training follows a four-step process. First, your employer will prepare you to receive instruction. Second, your employer will demonstrate the operation and explain it. Third, you will be expected to attempt the demonstrated operation. Fourth, your task will be evaluated and corrected, if necessary, and follow-up training will occur until you feel comfortable with the operation.



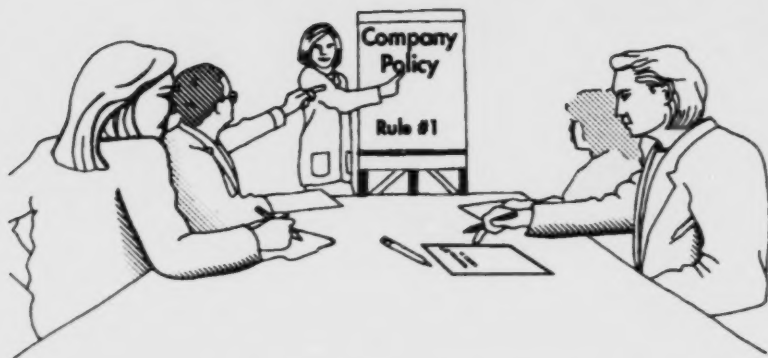
A supervisor must work closely with the employee.

In small store operations, most instruction will be given on the job. In large, chain operations, however, instruction may be given in a group setting inside a training room, or it may be given individually on the job. The most important step in training is often preparing to receive instruction. You should be in the right frame of mind. Try to eliminate distractions, which will destroy the effectiveness of your instruction. Make certain that you understand what your job duties and job description are and that you understand how the operations being shown to you relate to your job description.

Your employer will tell you what he or she is going to teach you, and then explain and demonstrate it. Make sure you understand—before the task is demonstrated—its purpose. For example, if you are about to be shown how to take inventory of items on a shelf and don't quite

understand why inventory is taken (or even what it is), ask your employer to explain its importance. If you understand why something is done, and why it is done a certain way, you will more likely perform the task in a precise manner. Once the task is demonstrated, do not hesitate to ask questions or to have your employer repeat the example. If you are shown something and don't really understand how to do it, you will only get yourself into trouble later, when there is no one present to show you how to perform the task if it absolutely needs to get done.

If you perform exceptionally well, training can lead to more complicated tasks that require more responsibility. Training gives your employers the opportunity to discover potential management and supervisory talent. He or she will take note of you, and give you additional duties and responsibilities,



Large chain organizations may use small group training sessions for new employees.

which can lead to your advancement.

Advancement

Small, Independent Organizations

Small, independently owned stores have an entirely different situation than the larger chain organizations. The store owner is the manager or operator. In C-stores, which operate at least 16 hours a day, 7 days a week, and on holidays, the owner-manager must have at least one full-time employee who can take management responsibilities some of the time. Some stores will have one full-time and one part-time employee who can take relief duties and assist when called or needed during peak traffic periods. Likewise, most auto parts stores

and automotive specialty service shops operate more than just 8 hours a day, 5 days a week.

The full-time employee who takes on supervisory and management responsibilities in the absence of the owner will usually handle routine matters and make minor decisions. Obviously, not just any person can handle these duties. It takes an employee who has intelligence, personality, good appearance, and a desire to learn as much about the daily operations as possible. Interest, enthusiasm, and honesty are basic personal requirements that employers look for in their full-time employees.

Large Chain Organizations

Large chain organizations have central managing personnel, whose

responsibilities include recruiting, hiring, training, and staffing. Each chain operation has its own requirements for particular jobs. Also, since there are more opportunities for advancement, they usually encourage **promotion from within** by looking for current employees with abilities and talent who can be trained for supervisory positions. Personnel managers are looking beyond the immediate job opening to see if an individual has the potential for supervisory and management positions.

The same personal characteristics, intelligence, and personality traits are sought by the large organization. In addition, the large organization offers opportunities for specialized abilities and talents. For example, the positions of buyer, merchandise manager, promotion manager, district manager, and training director require certain experiences and abilities.

The major difference between small and large companies is in the amount of time and facilities available for interviewing, evaluating, and selecting employees for the company. Larger organizations have specialists and departments that can use testing, evaluation, and other approved methods to make better selections. The small independent

image—the popular conception the public has about a particular business

personality—the qualities and characteristics that make you a unique person

polygraph—an electronic test designed to determine the reliability of the person's responses

promotion from within—a policy that encourages managers to move current employees into supervisory positions, rather than hiring someone from outside the business for the position

training—a systematic approach used to teach or make one prepared through personal involvement with the process or the job tasks

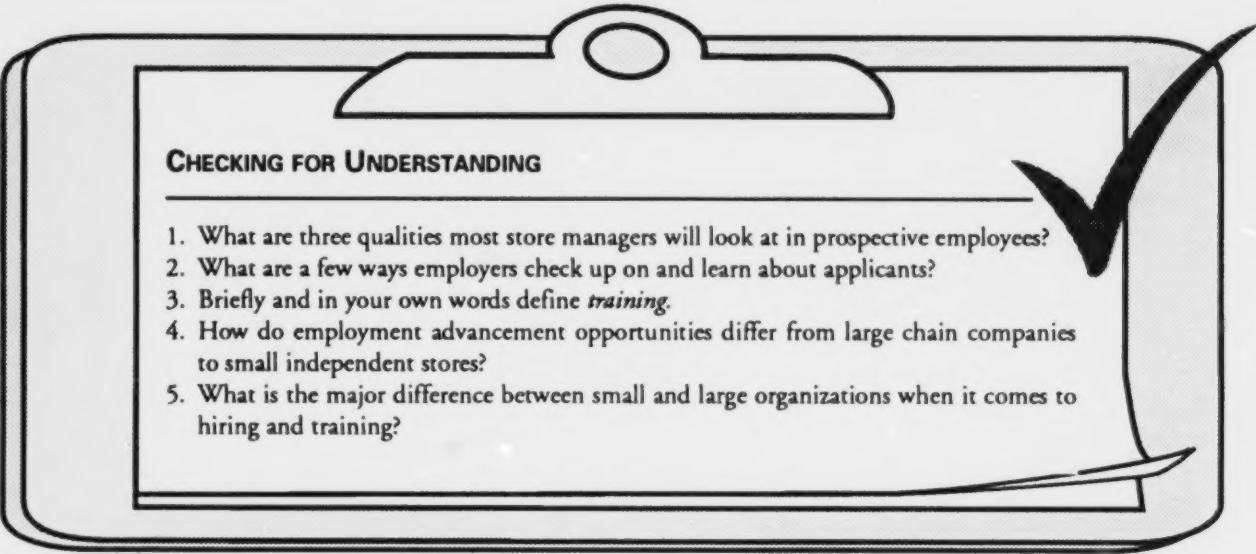
Words to Remember

store must rely on less time, personal judgment, and delayed follow-up practices to try to select the best people.

Summary

Starting a new job is a very exciting experience. A new employee is learning new skills, meeting new people, and—hopefully—doing something that he or she enjoys.

To get this far, however, one must find the right job and be hired for it. This often takes a great deal of time and effort, although a well-planned and executed approach to hiring and training can make the transition from non-employee to employee easier. Remember, too, the better you present yourself from the beginning, the more likely you are to be considered for additional responsibility and advancement.



CHECKING FOR UNDERSTANDING

1. What are three qualities most store managers will look at in prospective employees?
2. What are a few ways employers check up on and learn about applicants?
3. Briefly and in your own words define *training*.
4. How do employment advancement opportunities differ from large chain companies to small independent stores?
5. What is the major difference between small and large organizations when it comes to hiring and training?

Moving Toward Supervisory/Management Duties

Objectives: After completing this assignment, you will be able to—

- list and describe the five types of activities managers perform;
- identify at least three operational tasks supervisors perform;
- list and describe the three categories of problem customers;
- explain why performance evaluations are conducted; and
- tell the difference between *discrimination* and *harassment*.



For many people, becoming a member of management is a desirable goal. **Management** is the science or art that determines and directs the work necessary to carry out a mission or to achieve goals or objectives. Management is also the group of employees who decide and direct what is to be done by others.

Becoming the shift supervisor of a business is usually the first step into management. Learning how to manage the store for short periods of time can give you a clearer picture of what is done by management in operating the store full time. As you move into wider responsibilities, management develops and evaluates your abilities and attitudes before moving you into higher positions.

What Is Supervision?

As a **supervisor**, your task is to see that the policies and procedures that the owner or corporate management have established for achieving its goals are carried out. It is your responsibility to see that your shift runs smoothly and efficiently. You must make the best use of the resources you have—human resources, time, facilities and material, and money.

You may be involved in varying degrees with the five related activities of management: planning, organizing, staffing, directing, and controlling.

Planning involves selecting objectives and deciding how to reach them. As a supervisor, you may not do this as much as you will later.

Objectives have usually been determined by upper management.

Organizing requires that you decide who is to do what and how the work employees do will relate to each other. You may have more responsibility in this area, although chain operations often designate duties for types of employees as part of their job descriptions.

Staffing involves recruiting, assigning, training, and promoting employees. Various management personnel may be involved in these activities. Supervisors are most likely to have major responsibilities in on-the-job training of new employees.

Directing involves supervising, plus deciding how people will work and keep track of their efforts. For a supervisor, this responsibility means

that you will help other employees so that they are most productive in reaching the company's goals.

Controlling means making sure that progress is being made toward the company's goals and objectives. You will be involved, in varying degrees, with setting standards, measuring performance, and making corrections. Higher-level management will make major decisions on how this is to be done, but you will have the major role in controlling the business during your shift.

As a supervisor, you are to provide instruction on procedures to the employees in your charge and make sure that they are understood and followed. You are to handle any customer problems that arise and control the flow of merchandise. You are also responsible for scheduling personnel, making certain that merchandise is properly stocked on the sales floor, opening and closing registers, and making reports.

Accepting Responsibilities

A supervisor accepts the responsibility for a number of operations in addition to supervising other employees. You are involved with a number of tasks that relate to business operations. You must have knowledge of company policies, store procedures, and equipment operation. You must also have the self-confidence that being in a leadership position requires because others will look to you for guidance and reassurance. Until you are ready to accept the responsibility for the operation of the business during your shift and its employees, you are not ready to supervise.

Starting and Ending Your Shift

Each business has its own proce-



Supervisors are responsible for both merchandise and employees during their shifts.

dures, but certain duties apply to almost any business. When starting your shift, supervisors must make sure that the stock is neatly arranged and that all display fixtures are fully stocked. They also need to be sure that all supplies needed during the shift are available. Supervisors also are often responsible for picking up and signing for the change supply, called the **bank**, that each cash register needs.

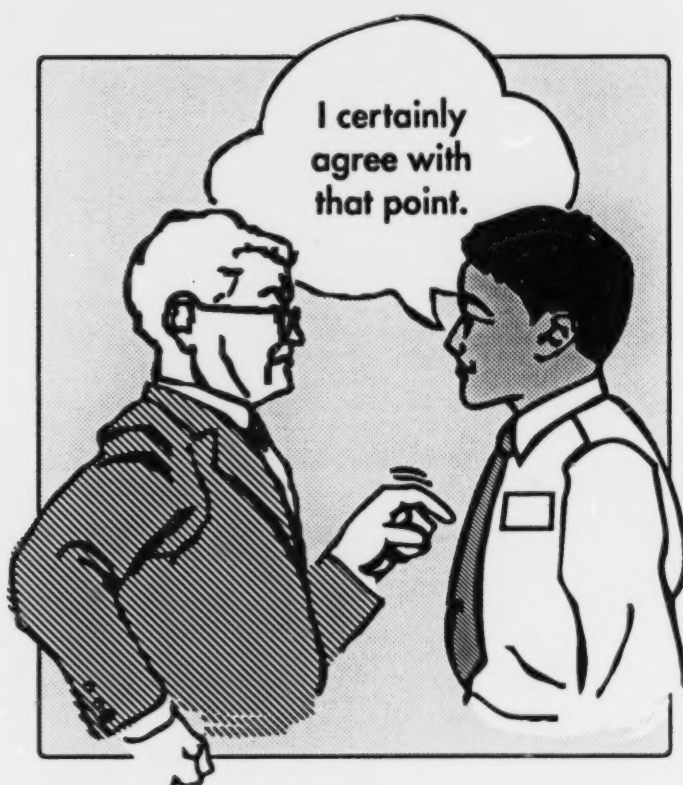
At the end of their shifts, supervisors also have some special duties. Many times they are required to turn in all the monies collected in the registers during the shift. For businesses that are not open 24 hours a day, they also must check to be sure that all customers have left the business. They must make sure that stock is on the proper shelves or racks, that any necessary reports have been prepared and turned in, and that the display lights have been

turned on or off as necessary for the time of day.

Opening and Closing Registers

One of the most important duties performed by supervisors on a day-to-day basis is to open and close the cash registers. Since cash registers are made by different manufacturers, the procedures for operating them are also different. Most stores now use computerized registers that provide management with a great deal of information automatically.

At the end of the shift, the supervisor must balance the register by counting the dollar amount of coins, checks, and currency in the drawer and comparing it with the dollar amount of sales rung up on the register tape. The two amounts should balance, less the amount of cash that was in the drawer to open the shift.



Listening allows unhappy customers to vent their feelings so that you can get to the actual source of the problem.

Once the register has balanced, the monies are turned in to a central location where all receipts are collected and the bank deposit is computed. For businesses that are not open 24 hours a day, register drawers are left open to keep any possible thief from damaging the equipment by trying to force the drawers open.

Handling Difficult Customers

Whenever an employee encounters a difficult customer, the supervisor should be prepared to intervene in the situation. The supervisor must know what to do to satisfy the person in such a way as to appease him or her, while keeping the door open for the customer's future business.

Problem customers can usually be placed in one of three categories. An emotional customer is one who is upset and in a bad mood, which may have nothing to do with the employee or the store. Sarcastic customers may not use unpleasant words, but they are less than pleasant in *how* they speak. Superior customers always know more about everything than you or any other employee. When you remain calm and professional in your approach to any of these types of customers, you will be successful in turning an unhappy customer into a happy, satisfied one.

Customers who have problems with their purchases, store personnel, or customer services are not

concerned about who caused their problems; they just want them corrected. To these customers, you are the company, and they expect you to do something about their problems. Usually, the seriousness of the problem and the type of action required will determine who has the authority to handle the complaint and its resulting decision.

The most important thing to remember about any problem is to allow your customer to tell you the problem without interruption and to give the customer your full attention so that he or she feels that someone cares.

Making Reports

Every supervisor is responsible for preparing certain reports. The number and kind of reports required will vary from business to business. These reports may deal with the type of merchandise that is selling the best and the items that need to be reordered. Other reports may deal with performance evaluations for the employees you supervise.

You must realize that reports must be completed accurately and submitted on time. No matter what the nature of the report, its contents are vital to the successful operation of the business.

Supervising Others

Motivation

A large part of the supervisor's efforts should be directed toward increasing sales, which is best accomplished through employee motivation. Supervisors should have a good understanding of the factors that cause employees to be happy and satisfied with their jobs.

Examples of motivators include money, in the form of salary and bonuses; good working conditions; advancement opportunities; recognition for a job well done; and challenging work. When supervisors understand what motivates their employees, they can work to create that kind of productive environment.

Training

It is the responsibility of a supervisor to make sure that the employee knows what to do and how to do it. Training ensures that the new employee becomes familiar with each task, the way the task is accomplished, and the sequence in which the tasks are performed. Without proper training and a willingness to learn, the employee will have trouble performing successfully.

Evaluation

Performance evaluations are designed to give employees feedback about how they are accomplishing their work. These **evaluations** are conducted either once or twice a year and are intended to review an employee's skill level, attitude about work, work habits, and leadership qualities. Evaluation time also pro-

vides management an opportunity to decide on work-related objectives for the next 6- to 12-month period.

As a supervisor, you should not let poor work habits go without correction until the next evaluation. In a healthy management-employee relationship, there is ongoing discussion about the most efficient way to do a job. Corrections and adjustments are best made at the time they are noticed, not delayed until evaluation.

In many companies, performance evaluations are also related to merit increases and promotions. A merit increase suggests that an employee has done well enough to deserve a raise in salary or wages. Such an increase should not be viewed by you or the employee as automatic; the quality of the employee's work determines whether or not the increase is awarded, as well as the amount of the award.

Performance evaluations are not intended to be threatening or intimidating. If you have maintained a positive relationship with your employees, this time can be used to objectively review what each employee has accomplished, what

needs to be done better, and what opportunities lie ahead. If things are not going well, clearly detail to the employee what your expectations are and the timeline for expected improvement.

Creating a Safe and Healthy Environment

In order to work efficiently, we need to know that we are safe. Management must ensure that each employee has a safe environment in which to work. This means a building that is clean and uncontaminated by pollutants and disease, as well as a work environment that is free of any kind of discrimination and harassment. Additionally, management should strive to create a work environment that helps employees feel good about themselves and the work they perform.

In the United States, most companies provide a safe and clean place to work. Employees are not usually subjected to crowded, unsanitary working conditions. But just as discrimination and harassment have not been eliminated in society, these issues remain in the workplace. Management's responsibility is to create an environment where

bank—the change supply that each cash register needs at the start of the day

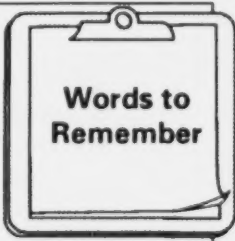
discrimination—differences in treatment made on a basis other than individual merit, usually race, sex, religion, or ethnic background

evaluation—a supervisor or manager's review of an employee's skill level, attitude about work, work habits, and leadership qualities conducted either once or twice a year

harassment—an attempt to torment an individual through repeated remarks or physical contact

management—the science or art that determines and directs what is done to carry out a mission or to reach goals or objectives

supervisor—an employee who sees that the policies and procedures established by the owner or corporate management are carried out



Words to Remember

employees are not discriminated against because of race, sex, religion, or ethnic background. Not only does **discrimination** negatively affect workers' ability to do a job, *it is illegal*.

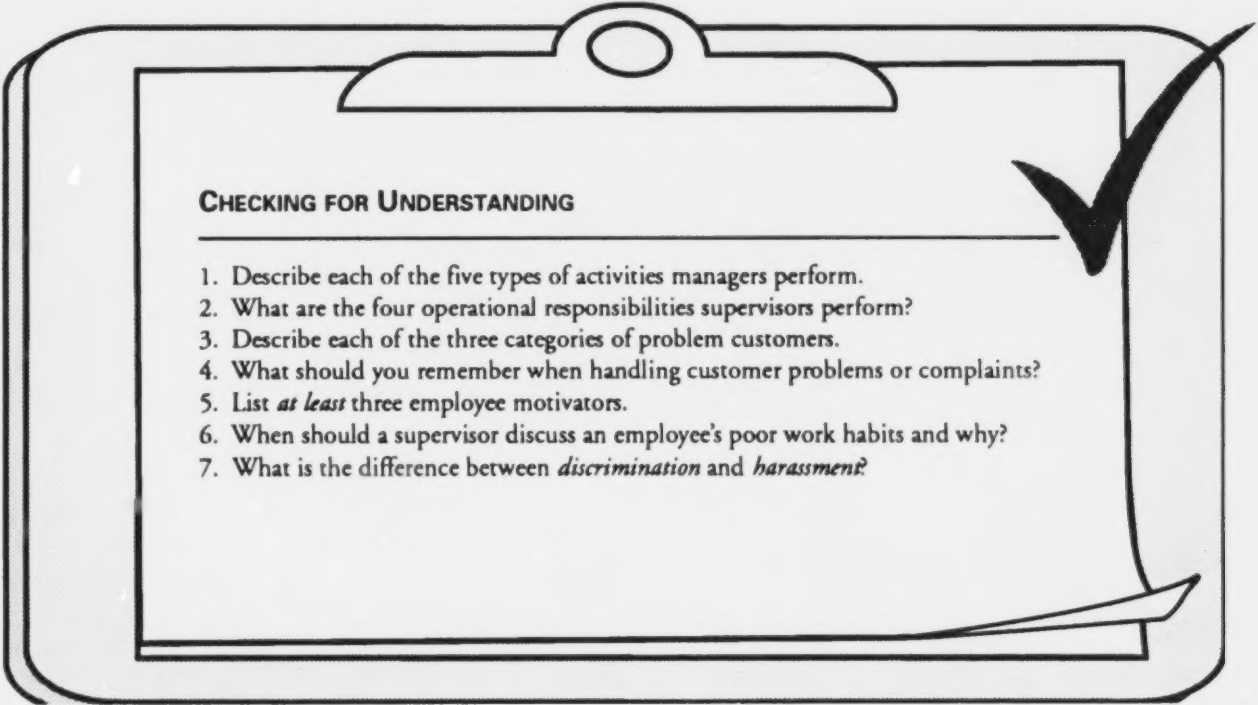
Harassment is an attempt to torment an individual through repeated remarks or physical contact. Harassment can be verbal, physical, mental, or sexual. *Like discrimination, harassment is illegal.* Any type of discrimination or harassment obstructs an employee's work and destroys a positive working atmosphere for everyone involved.

As a supervisor, you are responsible for dealing swiftly with any incidents of discrimination or harassment and

for making every effort to rid the workplace of their influence. Supervisors must create and maintain an environment where each employee can excel at his or her job, which results in a successful and profitable business.

Summary

As the first step into management, your job as a supervisor is an important one for you, the business, and the employees you supervise. You must accept a number of operational responsibilities, as well as supervising the work of others. By creating and maintaining a safe and healthy work environment, you will help each employee to excel at his or her job.



CHECKING FOR UNDERSTANDING

1. Describe each of the five types of activities managers perform.
2. What are the four operational responsibilities supervisors perform?
3. Describe each of the three categories of problem customers.
4. What should you remember when handling customer problems or complaints?
5. List *at least* three employee motivators.
6. When should a supervisor discuss an employee's poor work habits and why?
7. What is the difference between *discrimination* and *harassment*?

COMPLIANCE STATEMENT

TITLE VI, CIVIL RIGHTS ACT OF 1964; THE MODIFIED COURT ORDER, CIVIL ACTION 5281, FEDERAL DISTRICT COURT, EASTERN DISTRICT OF TEXAS, TYLER DIVISION

Reviews of local education agencies pertaining to compliance with Title VI Civil Rights Act of 1964 and with specific requirements of the Modified Court Order, Civil Action No. 5281, Federal District Court, Eastern District of Texas, Tyler Division are conducted periodically by staff representatives of the Texas Education Agency. These reviews cover at least the following policies and practices:

- (1) acceptance policies on student transfers from other school districts;
- (2) operation of school bus routes or runs on a nonsegregated basis;
- (3) nondiscrimination in extracurricular activities and the use of school facilities;
- (4) nondiscriminatory practices in the hiring, assigning, promoting, paying, demoting, reassigning, or dismissing of faculty and staff members who work with children;
- (5) enrollment and assignment of students without discrimination on the basis of race, color, or national origin;
- (6) nondiscriminatory practices relating to the use of a student's first language; and
- (7) evidence of published procedures for hearing complaints and grievances.

In addition to conducting reviews, the Texas Education Agency staff representatives check complaints of discrimination made by a citizen or citizens residing in a school district where it is alleged discriminatory practices have occurred or are occurring.

Where a violation of Title VI of the Civil Rights Act is found, the findings are reported to the Office for Civil Rights, Department of Health, Education and Welfare.

If there is a direct violation of the Court Order in Civil Action No. 5281 that cannot be cleared through negotiation, the sanctions required by the Court Order are applied.

TITLE VII, CIVIL RIGHTS ACT OF 1964: EXECUTIVE ORDERS 11246 AND 11375; TITLE IX 1973 EDUCATION AMENDMENTS: REHABILITATION ACT OF 1973 AS AMENDED; 1974 AMENDMENTS TO THE WAGE-HOUR LAW EXPANDING THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967; VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1972 AS AMENDED IN 1974.

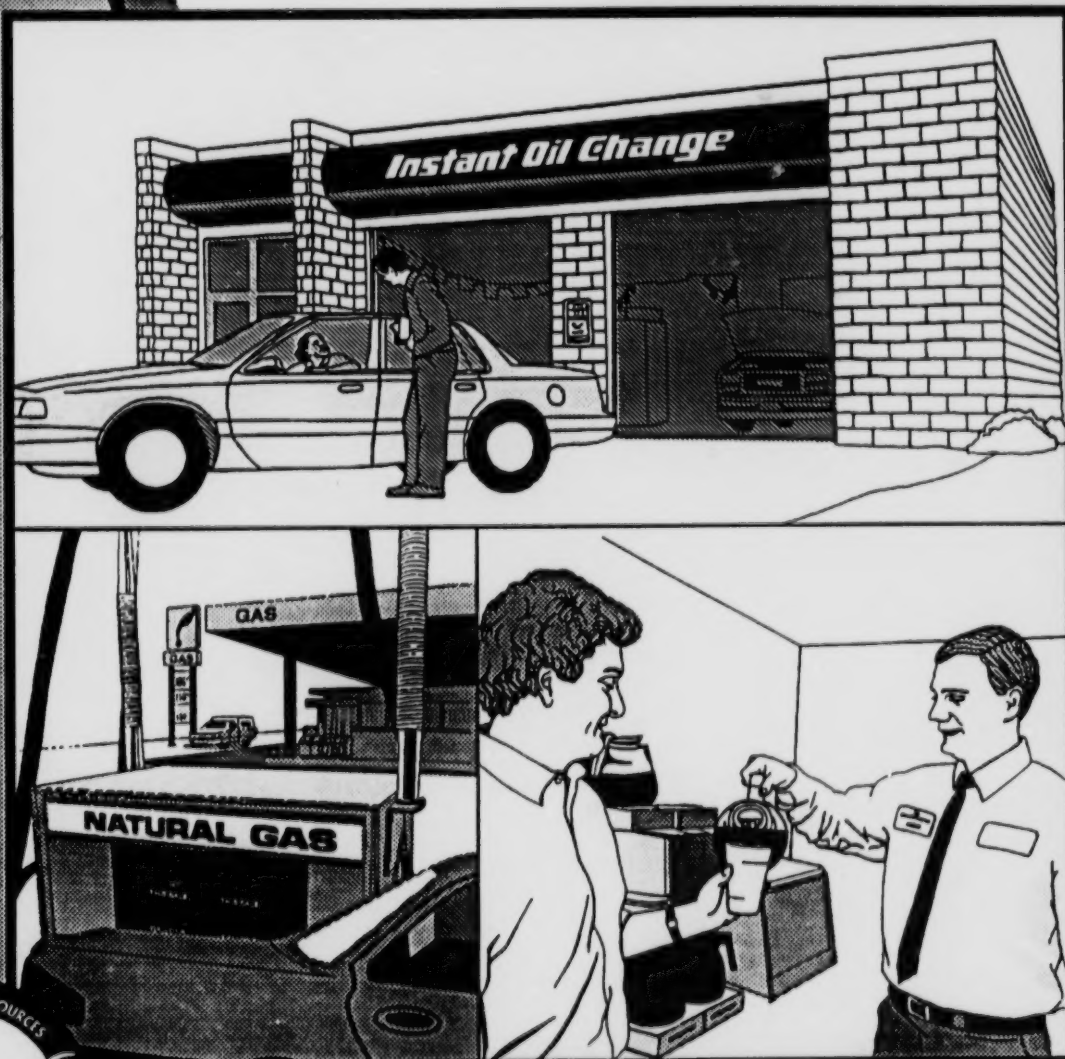
It is the policy of the Texas Education Agency to comply fully with the nondiscrimination provisions of all federal and state laws and regulation by assuring that no person shall be excluded from consideration for recruitment, selection, appointment, training, promotion, retention, or any other personnel action, or be denied any benefits or participation in any programs or activities which it operates on the grounds of race, religion, color, national origin, sex, handicap, age, or veteran status (except where age, sex, or handicap constitute a bona fide occupational qualification necessary to proper and efficient administration). The Texas Education Agency makes positive efforts to employ and advance in employment all protected groups.

#44430166

TX 94-106

PETROLEUM, CONVENIENCE, & AUTOMOTIVE MARKETING

ANSWER BOOK/TEACHER'S GUIDE



BEST COPY AVAILABLE

Marketing Education



Petroleum, Convenience, and Automotive Marketing

Answer Book/Teacher's Guide

By

Suzanne G. Faught

With learning activities by

Ed Kozek

Published by

The University of Texas at Austin
Educational Resources
Extension Instruction and Materials Center
Division of Continuing Education

Developed under a contract with

Texas Education Agency
Austin, Texas

1994

© 1994 by The University of Texas at Austin
All rights reserved. Published 1994
Printed in the United States of America

Brand names, company names, trademarks, or other identifying symbols appearing in the illustrations and/or text are used to clarify and identify and do not constitute a recommendation or endorsement by the author or the publisher.

Curriculum Specialist / Suzanne G. Faught
Editor / Teri C. Sperry
Artists / Elinor Gamache and Debra Dionisio
Publications Coordinator / Jonathan Griffith
Director, Educational Resources / Mitch Cooper

Additional copies may be ordered from:

THE UNIVERSITY OF TEXAS AT AUSTIN
Educational Resources
Extension Instruction and Materials Center
P.O. Box 7218
Austin, TX 78713-7218
(512) 471-7716 or (800) 252-3461
FAX (512) 471-7853

Stock Number ME 336 A

Contents

Foreword	v
Using <i>Petroleum, Convenience, and Automotive Marketing</i> for Independent Study and for Classroom Instruction	vi
Assignments and Objectives Correlated with SCANS Competencies	1
SCANS Competencies and Skills	4
Answers to "Checking for Understanding"	5
Learning Activities	19
Answers to Learning Activities	81
Assignment Quizzes	101
Answers to Assignment Quizzes	135

COMPLIANCE STATEMENT

TITLE VI, CIVIL RIGHTS ACT OF 1964; THE MODIFIED COURT ORDER, CIVIL ACTION 5281, FEDERAL DISTRICT COURT, EASTERN DISTRICT OF TEXAS, TYLER DIVISION

Reviews of local education agencies pertaining to compliance with Title VI Civil Rights Act of 1964 and with specific requirements of the Modified Court Order, Civil Action No. 5281, Federal District Court, Eastern District of Texas, Tyler Division are conducted periodically by staff representatives of the Texas Education Agency. These reviews cover at least the following policies and practices:

- (1) acceptance policies on student transfers from other school districts;
- (2) operation of school bus routes or runs on a nonsegregated basis;
- (3) nondiscrimination in extracurricular activities and the use of school facilities;
- (4) nondiscriminatory practices in the hiring, assigning, promoting, paying, demoting, reassigning, or dismissing of faculty and staff members who work with children;
- (5) enrollment and assignment of students without discrimination on the basis of race, color, or national origin;
- (6) nondiscriminatory practices relating to the use of a student's first language; and
- (7) evidence of published procedures for hearing complaints and grievances.

In addition to conducting reviews, the Texas Education Agency staff representatives check complaints of discrimination made by a citizen or citizens residing in a school district where it is alleged discriminatory practices have occurred or are occurring.

Where a violation of Title VI of the Civil Rights Act is found, the findings are reported to the Office for Civil Rights, Department of Health, Education and Welfare.

If there is a direct violation of the Court Order in Civil Action No. 5281 that cannot be cleared through negotiation, the sanctions required by the Court Order are applied.

TITLE VII, CIVIL RIGHTS ACT OF 1964: EXECUTIVE ORDERS 11246 AND 11375; TITLE IX 1973 EDUCATION AMENDMENTS: REHABILITATION ACT OF 1973 AS AMENDED; 1974 AMENDMENTS TO THE WAGE-HOUR LAW EXPANDING THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967; VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1972 AS AMENDED IN 1974.

It is the policy of the Texas Education Agency to comply fully with the nondiscrimination provisions of all federal and state laws and regulation by assuring that no person shall be excluded from consideration for recruitment, selection, appointment, training, promotion, retention, or any other personnel action, or be denied any benefits or participation in any programs or activities which it operates on the grounds of race, religion, color, national origin, sex, handicap, age, or veteran status (except where age, sex, or handicap constitute a bona fide occupational qualification necessary to proper and efficient administration). The Texas Education Agency makes positive efforts to employ and advance in employment all protected groups.

Foreword

Petroleum, Convenience, and Automotive Marketing is one of the new series of EIMC/Educational Resources publications on the skills and tasks required of employees in specific marketing occupations. Unlike previous publications of this type, it illustrates the working relationships among employees of the various environments in which training can take place—full-service gas stations, convenience stores, and automotive specialty service shops.

The material is presented in ways that will introduce students to information and thought processes that are needed by persons who are moving up the ladder in a career. By answering the questions at the end of each assignment, and by doing selected learning activities from the *Answer Book/Teacher's Guide*, students will begin to get a clearer idea of what is done and why it is done. The activities are designed so that students do not actually have to be employed at a training station but can gain information by research, observation, and discussion with employees and supervisors in full-service gas stations, convenience stores, and automotive specialty service shops. Students can develop a variety of the higher-level thinking skills that are now recognized as necessary to success in marketing.

Ed Kozek wrote the student manual, *Petroleum, Convenience, and Automotive Marketing*, and a number of student learning activities for this publication. His two years of work experience in a small-town convenience store during high school and the materials he has written for the industry since then provided valuable insight into this dynamic industry.

The Extension Instruction and Materials Center/Educational Resources of The University of Texas at Austin wishes to acknowledge the members of the 1993–94 Project Advisory Committee, who reviewed the tentative outline and offered suggestions for this and other marketing education publications:

- Betty Helton, McCallum High School, Austin
- Adell Morton, Allen High School, Allen
- Sheryl Nelson, Tuloso-Midway High School, Corpus Christi
- Larry Russell, Clear Lake High School, Houston
- Berry Sullivan, teacher-educator, Southwest Texas State University, San Marcos
- Michelle Walker, doctoral candidate, University of North Texas, Denton

Credit is also due to other members of the Marketing Education Curriculum Advisory Task Force. Initial planning for this and other materials began with the August 1993 meeting of the MECATF group. For 1993–94 they include all the Project Advisory Committee members, plus these marketing educators who represent their ME districts as curriculum chairpeople: Jerry Gates, Uvalde High School, District 2; Mildred Vannoy, Livingston High School, District 4; Nelda Shipp, Mineola High School, District 6; Bill Bilbruck, Plainview High School, District 8; Juan Rocha, Lake View High School, San Angelo, District 9; and Sandra Telles, Coronado High School, El Paso, District 10.

Appreciation is also due Emmett Eary, program director for marketing education at the Texas Education Agency, Austin, for his guidance and support in the development of marketing education curriculum and instructional materials projects.

Suzanne G. Faught
Marketing Education Curriculum Specialist

Using *Petroleum, Convenience, and Automotive Marketing* for Independent Study and for Classroom Instruction

Petroleum, Convenience, and Automotive Marketing focuses on the industry-specific information and skills needed by students who plan to enter, or who may already be receiving, training in a petroleum-related business, such as a full-service gas station, convenience store, or automotive specialty service shop.

The assignments can be used as the basis for class instruction in specialized programs or for individualized instruction for selected students pursuing careers in petroleum-related occupations. Objectives for each assignment are given in the first part of this book. In addition, assignment objectives are applications of the foundation and/or workplace competencies addressed by the Secretary's Commission on Achieving Necessary Skills (SCANS). This information is provided in the crosswalk chart beginning on page 1, with a list of the SCANS Competencies and Skills on page 4.

An answer key provides suggested responses to the "Checking for Understanding" questions based on the content of the assignment. Because of their highly individualized nature, some responses will require teacher judgment.

At the request of marketing education teachers, this answer book/teacher's guide takes a new direction by including sections with additional activities and summative quizzes for each assignment. The teacher may allow the individual student to select the activity or activities that best match his or her interest in the subject area addressed in the assignment. Sets of masters and the correlated answer keys are provided to facilitate this approach. A series of brief quizzes, one for each assignment, provides an alternate method of student assessment.

Assignments and Objectives Correlated with SCANS Competencies

Assignments and Objectives

SCANS Competencies

1: Industry History and Trends

- Define *full-service gas station*, *convenience store*, and *specialty automobile service shop*.
- Explain how and why market changes have resulted in fewer full-service gas stations and more convenience store/gas station combination stores.
- Explain why people shop at convenience stores.
- List at least five products and at least five services offered at many convenience stores today.

C-5: Information

2: The Importance of Customer Service

- Define *customer service*, and explain why it is important.
- List several ways an employee can provide good customer service.
- Define *suggestion selling*, and explain how it relates to customer service.
- Know when and how to make suggestion sales.

F-12: Thinking Skills

C-7: Information

C-5: Information

3: Completing Sales Transactions

- Know how to greet the customer, and explain why this is important.
- List several ways in which a customer may pay for a purchase, and describe change-making procedures.
- Explain the proper method of bagging a customer's order.
- Identify what items a customer can and cannot buy with food stamps.

C-11: Interpersonal Skills

C-5: Information

C-11: Interpersonal Skills

C-11: Interpersonal Skills

4: Safety and Personal and Store Security

- Explain the importance of "safety-consciousness."
- List the safety precautions to be taken while working near the gasoline pump island or service bay.
- Name five things a robber or burglar looks for when "casing" a particular store.
- Tell what precautions an employee should take during a robbery.

C-11: Interpersonal Skills

C-11: Interpersonal Skills

C-11: Interpersonal Skills

C-15: Systems

5: Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas

- Name three qualities that gasoline should have to be an efficient motor fuel.
- Explain what *octane rating* means and how it affects engine performance.
- Tell how diesel engines and fuels differ from gasoline engines and fuels.
- Explain why liquefied petroleum gas and compressed natural gas are good fuel alternatives to gasoline.

C-7: Information

C-5: Information

C-5: Information

C-5: Information

C-5: Information

F-12: Thinking Skills

F-12: Thinking Skills

F-12: Thinking Skills

6: Selling Motor Oils and Replacement Filters

- Explain why automobiles need frequent oil changes.
- List the functions of motor oils.
- Explain the oil classification system.
- Explain why motor oil needs to be sold rather than left to impulse buying.
- Tell why attitude and confidence are so important in selling motor oil.

C-7: Information

C-5: Information

C-15: Systems

C-11: Interpersonal Skills

C-11: Interpersonal Skills

7: Selling Tires and Batteries

- Explain why it is important to understand the function of an automobile part in order to sell that automobile part.
- Explain the function of and inspection routine for tires and batteries.

C-15: Systems

C-7: Information

8: Selling Replacement Parts

- Explain why it is important to understand the function of an automobile part in order to sell that automobile part.
- Explain the function of and inspection routine for:
 - shock absorbers
 - spark plugs
 - lights and electrical accessories
 - the muffler and exhaust system
 - hoses and drive belts
 - wiper blades

C-15: Systems

C-7: Information

9: Selling Automotive Services

- Explain the value of automobile services to both the customer and the business.
- Name three methods that can be used to find and recommend needed services to the customer.
- Name the nine checks that can be performed on an automobile during a casual look under the hood.
- Name at least three of the twelve systems that need thorough inspection on a regular basis.

F-12: Thinking Skills

C-11: Interpersonal Skills

C-5: Information

C-5: Information

10: Stockkeeping and Merchandising

- List the benefits of having a full inventory.
- Define *merchandising*, and tell how it is learned.
- Describe five guidelines for making merchandising decisions.
- Discuss the procedures used in your store to perform basic stockkeeping and merchandising duties.

C-5: Information

C-7: Information

F-8: Thinking Skills

C-15: Systems

11: Working with Vendors

- Define *vendor*, and name the services provided to a store by a vendor.
- Describe the obligations you have to the vendor and the vendor has to your store.
- Tell how to keep relations with vendors honest and businesslike.
- Discuss services by vendors that can aid the overall merchandising efforts of the store.

C-5: Information

F-13: Personal Qualities

F-17: Personal Qualities

C-7: Information

12: Assisting with Inventory Control

- Explain how investment in a stock of goods earns money for the owner.
- Distinguish between *profit* and *profiteer*.
- Describe exactly what happens when inventory does not sell at its expected rate.
- Tell why you should be concerned with inventory control.
- Explain the relationship between inventory control and profits.
- Define *stock turnover*, and give the formula for calculating it.

F-12: Thinking Skills

F-12: Thinking Skills

C-7: Information

C-15: Systems

F-12: Thinking Skills

C-5: Information

13: Controlling Losses and Shortages

- Discuss why most small businesses fail.
- Tell where losses come from in the operating budget.
- Describe ways most losses and shortages can be prevented.
- Give nine rules for a system of tight controls.

C-7: Information

C-5: Information

C-15: Systems

C-15: Systems

14: Promoting the Business

- Explain why promotion of new business is a constant objective.
- Discuss what is meant by setting objectives for promotion.
- Name eight forms of promotion.
- Plan in detail a promotional campaign that has a pre-determined objective.

C-7: Information

C-7: Information

C-5: Information

C-7: Information

15: Getting the Job And Training

- Tell what qualities an employer looks for in potential employees.
- Explain the importance of appearance and personality when applying for a job.
- Define *training*.
- Explain the difference in hiring, training, and advancement opportunities between small and large organizations.

F-13, 17: Personal Qualities

F-14: Personal Qualities

C-5: Information

C-7: Information

16: Moving Toward Supervisory/Management Duties

- List and describe the five types of activities managers perform.
- Identify at least three operational tasks supervisors perform.
- List and describe the three categories of problem customers.
- Explain why performance evaluations are conducted.
- Tell the difference between *discrimination* and *harassment*.

C-7: Information

C-5: Information

C-7: Information

F-12: Thinking Skills

C-5: Information;

C-14: Interpersonal Skills

SCANS Competencies and Skills

I. Workplace Competencies

Resources

- C-1 Allocates Time
- C-2 Allocates Money
- C-3 Allocates Material and Facility Resources
- C-4 Allocates Human Resources

Information

- C-5 Acquires and Evaluates Information
- C-6 Organizes and Maintains Information
- C-7 Interprets and Communicates Information
- C-8 Uses Computers to Process Information

Interpersonal Skills

- C-9 Participates as a Member of a Team
- C-10 Teaches Others
- C-11 Serves Clients/Customers
- C-12 Exercises Leadership
- C-13 Negotiates to Arrive at a Decision
- C-14 Works with Cultural Diversity

Systems

- C-15 Understands Systems
- C-16 Monitors and Corrects Performance
- C-17 Improves and Designs Systems

Technology

- C-18 Selects Technology
- C-19 Applies Technology to Task
- C-20 Maintains and Troubleshoots Technology

II. Foundation Skills

Basic Skills

- F-1 Reading
- F-2 Writing
- F-3 Arithmetic
- F-4 Mathematics
- F-5 Listening
- F-6 Speaking

Thinking Skills

- F-7 Creative Thinking
- F-8 Decision Making
- F-9 Problem Solving
- F-10 Seeing Things in the Mind's Eye
- F-11 Knowing How to Learn
- F-12 Reasoning

Personal Qualities

- F-13 Responsibility
- F-14 Self-Esteem
- F-15 Sociability
- F-16 Self-Management
- F-17 Integrity/Honesty

Reference: The Secretary's Commission on Achieving Necessary Skills, U.S. Department of Labor. *Skills and Tasks for Jobs: A SCANS Report for America 2000*, Tables 1-1 and 1-2, pp. 1-4 and 1-5, and Table 2-1, pp. 2-4 through 2-10. U.S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328.

**Answers to
“Checking for Understanding”**

Assignment 1: Industry History and Trends

1. *What factors contributed to the decline of the full-service gas station?*

Factors that contributed to the decline of the full-service gas station include:

- rising competition both from convenience stores and specialty automobile service shops
- better-made automobiles that required less refueling and maintenance
- the growth in popularity of the two-income family

2. *When and why did convenience stores become popular?*

Convenience stores first became very popular when Americans moved in great numbers to the suburbs after World War II. People became more mobile than they had ever been before, often living far away from their places of work. Because people could make quick trips to convenience stores for basic items, C-stores saved people time.

3. *What are at least three important factors customers consider when choosing a convenience store?*

The five factors cited include:

- located close to home/work
- cleanliness
- feeling of safety
- attitude of employees
- quality of merchandise

4. *What are at least five services that convenience stores offer?*

Services that convenience stores offer include:

- automated teller machines (ATMs)
- car wash
- check cashing
- cooked hot dogs
- drive-up window
- dry cleaning
- faxing services
- film processing
- fried chicken
- lottery tickets
- microwave ovens for heating fast foods
- money orders
- postal services
- prepared foods—sandwiches and deli items
- video games
- videocassette rentals

5. *What advantages does a C-store have over a supermarket?*

Some advantages that a C-store has over a supermarket are the following:

- Their service is faster.
- They sell products and services (like gasoline) that supermarkets do not sell.
- Because of their smaller size, they can adapt to market changes more quickly.

6. *What are at least two products/services that you buy in convenience stores? Why do you buy them there?*

Student responses will vary.

7. *What are some examples of specialty automobile service shops?*

Examples of specialty automobile service shops include shops that specialize in muffler or brake repair, oil changes, and tune-ups.

8. *Why is it more convenient for some people to have their cars serviced at specialty shops rather than at full-service gas stations?*

Specialty shops are often quicker and less expensive.

Assignment 2: The Importance of Customer Service

1. *What are some ways an employee can provide good customer service without even personally dealing with customers?*

An employee can provide good customer service without personally dealing with customers by keeping the store neat and clean, keeping floors dry, keeping the parking lot well-lit at night, emptying garbage cans often, and more.

2. *Why is it important for an employee to know his or her customer base?*

The two main reasons an employee should know his or her customer base are the following:

- If an employee understands the store's customers, he or she can better anticipate their needs, which will raise sales.
- If an employee knows his or her customers well and calls them by name, the customers will appreciate it and will likely remain loyal to the store.

3. *Why is there more competition now in the petroleum marketing and convenience store industries than ever before? What does this have to do with customer service?*

There is now more competition in the petroleum marketing and convenience store industries than ever before because the market is highly saturated in both industries, providing serious competition for perhaps the first time. In a saturated market, with many stores that offer the same products and services competing, good customer service often makes the difference in where a customer chooses to shop.

4. *What are some examples of suggestion selling?*

Student responses will vary.

5. *What are some ancillary products or services offered at gas stations? At specialty automobile service shops?*

Some ancillary products and services offered at gas stations are air for tires, motor oil, windshield wiper fluid, tire sales, etc. At specialty automobile service shops ancillary services and products could be automobile lubrication, air conditioning recharging, winterizing, radiator flushing, windshield wipers, and more.

Assignment 3: Completing Sales Transactions

1. *Why is it always important to greet the customers?*

Greeting a customer in a sincere, friendly fashion is important in any business because it leaves the customer with a positive impression of the establishment, increasing the likelihood that he or she will shop there again. It also gives the employee a chance to do some suggestion selling.

2. *Excluding the use of cash, what are four ways customers can pay for products or services?*

Customers may also pay for purchases with:

- personal checks
- credit cards
- money orders
- traveler's checks

3. *You work at a C-store, and a customer buys a gallon of milk, a bag of chips, two cans of soda, some aspirin, a candy bar, and three cans of vegetables. How do you bag these items?*

Put the heaviest, sturdiest items (milk, soda, cans of vegetables) at the bottom and the smaller, lighter products (chips, aspirin, candy) on top.

4. *Of the following items, which can a person buy with food stamps: (a) gasoline, (b) bread, (c) potato chips, (d) apple juice, (e) soda, (f) a chocolate bar, (g) cigarettes, (h) ice cream, (i) a prepared, packaged sandwich.*

At the present time, items (b), (c), (d), (e), (f), and (h) may be purchased with food stamps.

5. *A customer has made a purchase of \$4.33 and hands you a ten-dollar bill. How do you give the customer his or her change?*

You hand over two pennies, saying, "That makes \$4.35," then a nickel, saying "\$4.40," then a dime, saying, "\$4.50," then two quarters, saying, "\$5.00," and, finally, a five dollar bill, saying, "That makes \$10.00."

Assignment 4: Safety and Personal and Store Security

1. *In your own words, explain "safety-consciousness."*

Use your judgment in evaluating this response.

2. *What safety rules should be observed around the pump island area or in the service bay?*

One should always:

- observe the "no smoking" rule.
- see that all pump hoses are safely out of the way when not in use.
- remove any tools, equipment, or other objects from the driveway or pump island area that could trip or injure either employees or customers.
- be sure that the pump island is well lighted.
- report immediately any damaged or inoperable equipment connected with the fuel pumps, hoses, connectors, nozzles, or shutoff devices.
- put gasoline only into approved containers or fuel tanks of vehicles.

3. *What rules should be followed in case of a fire?*

One should:

- call the fire department immediately, or have someone call while you try to extinguish the fire.
- get everyone away from burning vehicles and into a safe place.
- extinguish a gasoline fire at its base, using a dry chemical extinguisher that smothers the flame, using a rapid side-to-side motion to get the flame completely out.
- never use water on any fire unless it is burning trash, paper, wood, or grass.
- once the fire is out or under control, call your store's insurance company and give a complete report.

4. *What are some things burglars and robbers look for when "casing" a store?*

Burglars and robbers look for:

- a safe, cash register, and large sums of money that may be left out or unlocked.
- cash registers that are kept relatively full of cash.
- bank deposits that are made on regular schedules.

- any property that is fairly small and can be easily disposed of for money, such as calculators, television sets, microwave ovens, jewelry, and radios.
 - a store that has poor lighting inside and out.
 - outside windows without protective bars or grates, skylights on the roof, fire escape ladders, wooden outside doors, poor visibility around sides and back of store building.
 - no evidence of any alarm system.
5. *Why is a robbery far more serious than a burglary?*
A robbery is more serious than a burglary because a robbery is theft by force, made by someone who is actually present and who is most likely threatening you with physical harm.
6. *What should you do to avoid injury during a robbery?*
You should obey the robber's commands and remain calm.
7. *How can you deter shoplifting in your store?*
You can:
- be observant of anyone who appears to be intentionally out of the clerk's line of sight.
 - keep small items near the front and in easy view of the checkout counter.
 - greet each person who enters.
 - approach a person who acts suspicious and offer assistance.

Assignment 5: Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas

1. *Name three important qualities in a gasoline.*
A good gasoline will vaporize quickly, leave no gummy residue, and promote rapid engine start up and warm-up.
2. *What properties does gasoline have that make it a good motor fuel?*
Gasoline vaporizes quickly to create rapid burning, which causes expansion, which, in turn, develops power; the energy developed is extremely economical; and it acts as a self-cleaner to all internal engine parts.
3. *What is an octane rating? Does it improve engine performance?*
An octane rating is a measurement that expresses the antiknock quality of a gasoline. It will not improve engine performance.
4. *Name at least four additives of gasoline.*
The choices are:
- tetraethyl lead
 - copper-fighting agent
 - detergent
 - deposit modifier
 - antirust agent
 - upper cylinder lubricant
 - antioxidant
 - anti-icing agent
 - dye

5. *In what ways are diesel fuels preferable to gasolines?*

Diesel fuels are less expensive, cleaner, and provide better mileage.

6. *What is cetane?*

Cetane is an additive in diesel fuels that aids in combustion at lower temperatures.

7. *What is LPG? Why does it make a good fuel for automobiles?*

LPG is short for liquefied petroleum gas, which is used as an automobile fuel. It is a good alternative to gasoline because it is very efficient, results in little pollution, burns cleanly, leaving little residue that can damage the engine, doesn't dilute lubricants, and has a high octane rating.

Assignment 6: Selling Motor Oils and Replacement Filters

1. *Why do most automobiles not work at their full capacity? What effect does this have on the engine?*

Automobiles seldom work at their full capacity because most trips by car are short and are made at low speeds. Therefore, the car is not operating long enough for oil to circulate properly. This can result in wear on motor parts.

2. *What must all motor oils do?*

All motor oils must lubricate, seal, protect, cool, provide for easy starting, and clean.

3. *What is oil viscosity?*

Oil viscosity refers to the thickness of the oil and its ability to stand up under high pressure and heat.

4. *What is the difference between SAE 5W-30 and SAE 10W-30 multigrade oils?*

The difference is that the 5W oil will perform better in very cold temperatures (under 0°F), while the 10W grade oil is good at temperatures as low as 0°F.

5. *What are three good reasons to give your customer for replacing the oil filter each time the oil is changed?*

If you change oil but not the filter, you are circulating dirty oil inside your engine; a filter only lasts so long; and oil filters are inexpensive.

6. *How is confidence helpful in selling?*

Confidence helps you make the approach, determine needs, answer questions, handle objections, and close the sale satisfactorily. If you know your product and what it will do, then you can feel good about your job of selling.

Assignment 7: Selling Tires and Batteries

1. *Why is it necessary to understand the necessity of an automobile part in order to sell it?*

To tell the customer about the part and the need to replace it, you must have a solid knowledge of the product's usefulness and function. Knowing the terminology and showing the

customer the wear or damage will give the customer confidence in your competence, resulting in a satisfied, repeat customer.

2. *Briefly describe the function of automobile tires.*

The tires' function is to travel over often bumpy and crevassed roads and evenly distribute the weight of the automobile as it runs along the road. The tire must withstand the pressures of high-speed driving; high heat from friction; pounding by rocks, holes, bumps, and other obstructions found on roads; and scuffing against curbs. The tire must also hold the road when wet or icy and withstand all extremes of weather.

3. *Briefly describe the function of the battery.*

The battery's function is to provide electrical energy to turn the engine over upon starting and to operate the car's electrical accessories until the alternator or generator kicks in.

4. *List two symptoms of faulty tires.*

Two symptoms of faulty tires are uncovered wear indicators and uneven tread wear.

5. *List two symptoms of a faulty battery.*

Student responses should include two of the following symptoms of faulty batteries: hard starting of the engine, dimming of lights while the engine is idling, hesitation in starting, fuses blowing out often, and blower fans slowing down when engine is idling.

Assignment 8: Selling Replacement Parts

1. *Briefly describe the function of:*

a. *shock absorbers*

b. *spark plugs*

c. *lights and electrical accessories*

d. *the muffler and exhaust system*

e. *hoses and drive belts*

f. *wiper blades*

The **shock absorbers'** function is to absorb the shock of traveling over bumpy roads. The **spark plugs'** function is to ignite the gasoline-air mixture in the engine's combustion chamber. The function of **lights and electrical accessories** is manifold, but it includes the operation of headlights and tail lights (which are necessary to operate an automobile safely). The **muffler and exhaust systems'** function is to quiet the engine and deliver the exhaust from the engine to the rear of the car, where it is let out into the atmosphere. The **hoses and drive belts'** function is to distribute coolant, water, and other materials throughout the engine and to connect the water pump, generator or alternator, air-conditioning compressor, and power steering/brake pump to the engine's crankshaft. The **wiper blades'** function is to cleanly and smoothly wipe away water or other precipitation from the car's windshield(s).

2. *List two symptoms of faulty:*

a. *shock absorbers*

b. *spark plugs*

c. *lights and electrical accessories*

d. *the muffler and exhaust system*

e. *hoses and drive belts*

f. *wiper blades*

Symptoms of faulty **shock absorbers**: an overly bumpy ride and a tendency to sway heavily on curves; of faulty **spark plugs**: poor gasoline mileage and rough idling or uneven running of the engine; of faulty **lights and electrical accessories**: burnt-out single lights or an entire lighting system that doesn't work; of faulty **muffler and exhaust system**: loud engine noise and the smell of exhaust fumes in the passenger compartment; of faulty **hoses and drive belts**: a squeaking noise from the turning of the drive belts and signs of leakage from hoses; of faulty **wiper blades**: cracked blades and a streaked surface of the windshield.

Assignment 9: Selling Automotive Services

1. *For what reasons should automobile services be sold to customers?*

Automobile services should only be sold to customers who actually need the services performed to maintain a vehicle's satisfactory performance and trouble-free operation.

2. *What three methods can be used to find and recommend needed services to the customer?*

Necessary services can be found through:

- a casual inspection when the car is brought in for a gas fill-up or a simple oil change.
- a complete inspection each time the car is brought in for any service.
- maintaining of service records on each customer.

3. *Which automobile systems should be checked during a casual inspection?*

The oil, the radiator fluid level (if the car is cool enough), the windshield wiper fluid level, the level of the automatic transmission fluid, the level of the brake fluid, the tire pressure and tread wear, the engine belts (for wear, cuts, and tension), hoses (for leaks), and the battery (for corrosion and electrolyte level).

4. *Which automobile systems need inspection on a regular basis?*

The fuel, starting, ignition, charging, cooling, lubrication, drive, suspension, steering, brake, exhaust, and safety systems need inspection on a regular basis.

5. *Why is it recommended that a small business owner invest in a computer system for record keeping?*

A good computer system can increase productivity, significantly lower labor costs, and aid in accurate record keeping. The savings will quickly outweigh the initial cost of the system.

Assignment 10: Stockkeeping and Merchandising

1. *List eight benefits of having an adequate inventory.*

- You can give more efficient service because you have on hand what you need.
- Customers want to shop where there are adequate stocks of the products they need.
- Employees do a better job of selling when they have full stocks to sell from.
- Full stocks mean that you lose fewer sales.
- Fully stocked shelves are more attractive and inviting to customers.
- Fully stocked shelves actually reduce losses because they are easier to inventory and shoplifting is discouraged.
- Full stocks improve cash flow because the only items in stock are those with an adequate turnover rate.
- Full stocks reduce labor costs because needed items are on hand and service personnel do not have to wait on delivered items.

2. *What is the purpose of a stock list?*

A stock list serves as an inventory sheet, reorder form, and price list.

3. *Why is overstocking a bad policy?*

Overstocking needlessly ties up working capital, and many stores do not have room to store large quantities of reserve stock.

4. *What is shelf-facing?*

Shelf-facing is defined as the number of units of a particular product that actually face the customer on the shelf. It is measured by width and height of the stacked units.

5. *What is the difference between salvage and trash?*

Salvage is any food item or product that can be resold or still has some value. On the other hand, trash cannot be sold, has no value, and must be thrown away.

6. *Define merchandising, as used in this assignment.*

For the purpose of this assignment, *merchandising* is defined as "having the right item—in the right amount—in the right assortments and varieties—at the right price—at the right time—and at the right place so it will produce the maximum sales volume needed to give the desired profit."

7. *How is merchandising learned?*

Merchandising is learned from experience and from working with products and by knowing your market, by identifying your customer's buying habits and changing moods, and by observing the movement and sales strength of stock in your store.

8. *Briefly summarize five guidelines to aid in making merchandising decisions. Can you think of any more?*

- Stock your store only with what your customers expect and need.
 - Stock your store with the products that make the most profit.
 - By reducing shelf spacings, more products can be stocked in the same amount of space.
 - Move fast-selling or "hot" items off the shelves and onto display racks in high-traffic areas of the store.
 - Make items visible and within reach.
- (Additional student responses will vary.)

Assignment 11: Working with Vendors

1. *What services do vendors give to a convenience store?*

Vendors deliver, do their own stocking, rotate stock and make their own merchandise attractive, often have sales guarantees on perishable goods, and supply merchandising aids such as displayers, banners, price cards, and similar devices.

2. *What obligations does the store employee have to the vendor?*

The vendor has a schedule to follow and needs your prompt attention and processing of the order delivered. The vendor deserves your courtesy and helpfulness. Any merchandising aids or display equipment supplied by the vendor should not be used for competitors' products or other products. The vendor should be told in advance which day, and time of day, to deliver so that several do not show up at the same time.

3. *Summarize the vendor's obligations to the C-store.*

A vendor should deliver on the day and time of day that goods are needed, deliver only the number and specified kind of each item that is ordered, take no more shelf or rack space than specified in the agreement, should make all deliveries through the front door of the store (unless told otherwise), *not* put any stock on the shelves until the delivery has been counted and inspected by store personnel, *not* demand service or payment until the employee has

taken care of customers, *not* take up prime parking spaces directly in front of the store, and give the store personnel all copies of the invoice for inspection and checking prior to payment or signing for the order.

4. *What is the recommended procedure for checking in an order from a vendor?*

Check the number of cartons of each item to make certain that the count is exact. Then check the contents to make certain it has the number of units inside, and that they are the exact size, content, package, and brand name as ordered and as specified on the delivery ticket and invoice. Then check to make sure that cartons have no visible signs of damage or damaged contents.

5. *How can relations with vendors be kept honest?*

Vendors will be honest when they know you follow the rules, count and check all orders, and check the paperwork. Running a good, efficient, businesslike store in general will help you avoid any losses from dishonest people.

6. *After reading the section on vendor-supplied merchandising services, summarize the one you think is most valuable to the convenience store.*

Use your judgment in evaluating this response.

Assignment 12: Assisting with Inventory Control

1. *How does a business owner earn money on an investment in a retail store?*

The owner's investment is in the form of his stock of goods. Turnover of this stock results in sales, which result in profits. The faster the turnover, the more money the owner will earn.

2. *Define the words profit as a noun and profiteer as a noun, using a dictionary, if needed.*

(Use your judgment for this response.)

3. *What is the net result of inventory sitting on the shelf and not selling at expected rates?*

Inventory sitting on the shelf and not selling is like "dead" money—it isn't earning anything. It is also wasting valuable shelf space that could be used to stock other, sellable goods.

4. *Why should you, as an employee, be concerned with inventory control and profits?*

You should be concerned with inventory control and profits because it is through the store's profits that you get paid. If the store is doing badly, you may lose your job or miss an opportunity for advancement.

5. *Define stock turnover.*

Stock turnover is the number of times items are purchased, stocked, and sold and additional items purchased to sell again.

6. *What formula is used to determine number of stockturns?*

Number of Stockturns = \$ of Net Sales ÷ \$ of Average Inventory

7. *Define the net profit made by a retail establishment during a given period.*

The net profit made by a retailer over a given period is the retail price minus the cost of the goods minus the cost of expenses.

Assignment 13: Controlling Losses and Shortages

1. *In a single sentence, tell why most small businesses fail.*
Most businesses fail because of poor management.
2. *From what part of the operating budget do losses come?*
Losses come directly from the net profit.
3. *Assuming you had a net profit of 10 percent and a loss of \$600, how much would you have to sell to make up for that loss?*
You would have to make up \$6,000 worth of products and/or services.
4. *In a single sentence, tell how most losses and shortages can be prevented.*
Losses and shortages can be prevented with a good system of controls and well-trained employees.
5. *What kind of business should you operate in order to attract good employees?*
You should run a successful, thriving business where there is opportunity for advancement, where employees are paid a fair and decent wage, where employees are well-trained, and where there is a good organizational structure.
6. *Name at least two things a manager should look for when interviewing applicants for employment.*
When interviewing applicants, a manager should look for:
 - inconsistent dates or gaps in employment on the application.
 - a genuine desire on the applicant's part to work for the employer and do a good job.
7. *What are nine basic rules for a system of tight controls to prevent losses and shortages?*
The nine basic rules are the following:
 - Establish a daily checkout.
 - Balance out each day.
 - Take inventory of expensive items daily.
 - Safeguard your cash.
 - Keep tight security on credit card invoices.
 - Keep up with labor charges.
 - Check your merchandise receipts.
 - Price-mark all merchandise.
 - Be constantly alert.

Assignment 14: Promoting the Business

1. *Why must new business be a constant objective of any enterprise?*
New business must be a constant objective of any enterprise because our population is relatively mobile (we will constantly be losing customers who move away), and because competitors can easily steal away customers.
2. *What is the first step in planning a promotion?*
The first step in planning a promotion is to take a good look at your business to see what it is exactly you have to sell and why customers will come into your store to purchase your products and services.

3. *What is meant by setting objectives for a promotion?*

Promotional objectives are goals that define just what you wish to gain through your promotion. For instance, do you want to attract new customer or hang on to old ones? To meet or beat your competition? To promote products or services?

4. *Name eight forms of promotion.*

Student responses may include the following and more:

- advertising
- display
- personal solicitation
- telephone solicitation
- coupons
- credit
- circulars
- publicity
- credit
- peel-off games

5. *What is the value in constantly reevaluating your promotional campaigns?*

Promotional campaigns need constant reevaluation in order to ensure that they are effective. You must be sure that the campaign results in the completion of your desired objectives. If it doesn't, you are wasting your money and your time.

Assignment 15: Getting the Job and Training

1. *What are three qualities most store managers will look at in prospective employees?*

Three qualities that store managers will look at in prospective employees are:

- intelligence
- appearance
- personality

2. *What are a few ways employers check up on and learn about applicants?*

Two ways employers learn about employees include:

- calling references and previous employers listed on an application.
- giving a personal interview.

3. *Briefly and in your own words define training.*

Use your judgment in evaluating this response.

4. *How do employment advancement opportunities differ from large chain companies to small independent stores?*

The larger organizations will often offer opportunities for specialized abilities and talents, while the independent operation will usually have need for only managerial and supervisory skills in its employees.

5. *What is the major difference between small and large organizations when it comes to hiring and training?*

The major difference between small and large companies is in the amount of time and facilities available for interviewing, evaluating, and selecting employees for the company. Larger organizations have specialists and departments that can use testing, evaluation, and other approved methods to make better selections.

Assignment 16: Moving Toward Supervisory/Management Duties

1. *Describe each of the five types of activities managers perform.*

The five types of activities managers perform include:

- planning—selecting objectives and deciding how to reach them
- organizing—deciding who is to do what and how the work employees do will relate to each other
- staffing—recruiting, assigning, training, and promoting employees
- directing—supervising other people so that they are most productive in reaching the company's goals
- controlling—making sure that progress is being made toward the company's goals and objectives

2. *What are the four operational responsibilities supervisors perform?*

The four operational responsibilities supervisors perform include:

- starting and ending your shift
- opening and closing registers
- handling difficult customers
- making reports

3. *Describe each of the three categories of problem customers.*

Problem customers can usually be placed in one of the three following categories:

- emotional—upset or in a bad mood, which may have nothing to do with the employee or store
- sarcastic—pleasant in what is said but not in how it is said
- superior—always knows more about everything than you or any other employee

4. *What should you remember when handling customer problems or complaints?*

You should remember to remain calm and professional in your approach. Customers expect you to do something about their problems. The seriousness of the problem and the type of action required will determine who has the authority to handle the complaint and its resulting decision.

5. *List at least three employee motivators.*

Examples of motivators include, but are not limited to:

- money, in the form of salary and bonuses
- good working conditions
- advancement opportunities
- recognition for a job well done
- challenging work

6. *When should a supervisor discuss an employee's poor work habits, and why?*

As a supervisor, you should not let poor work habits go without correction until the next evaluation. In a healthy management/employee relationship, there is ongoing discussion about the most efficient way to do a job. Corrections and adjustments are best made at the time they are noticed, not delayed until evaluation.

7. *What is the difference between discrimination and harassment?*

Discrimination involves treating someone differently based on race, sex, religion, or ethnic background, which is illegal. *Harassment*, on the other hand, is also illegal but involves an attempt to torment someone through repeated remarks or physical contact.

Learning Activities

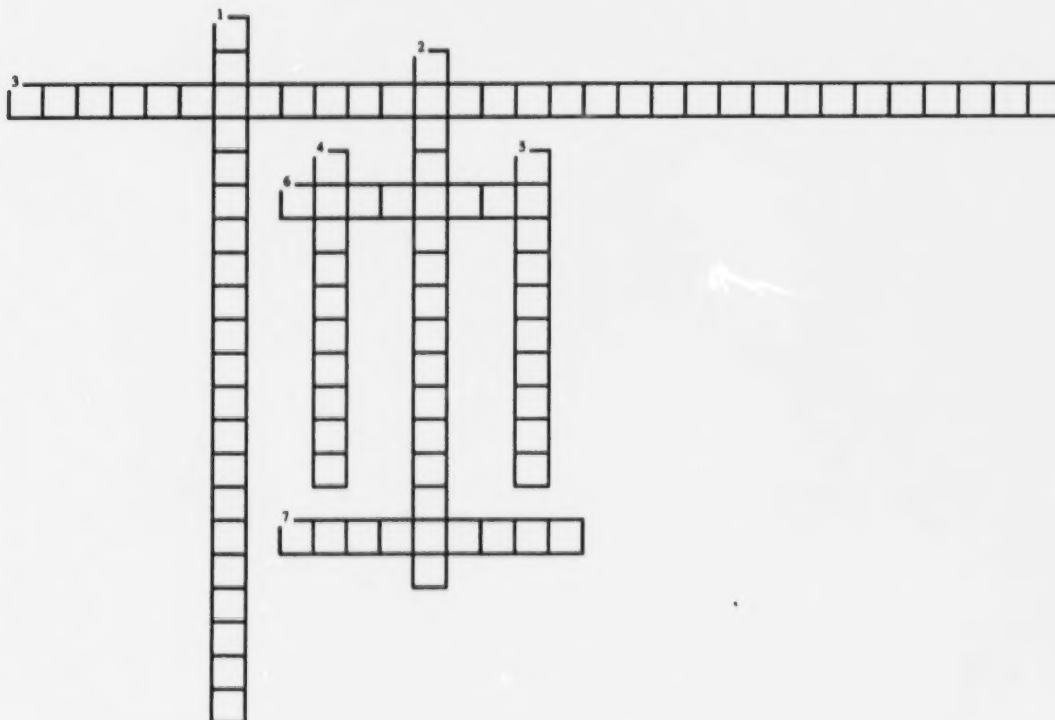
Learning Activity 1
Words to Remember

ASSIGNMENT 1
Industry History and Trends

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

3. Automobile service stores that market only a few particular services, such as oil changes, tune-ups, or brake repairs
6. A person or company that promotes and sells a product or service
7. A condition in which an area is supplied with all of the businesses it can support

DOWN

1. A store that sells a wide range of petroleum products and services
2. A small retail outlet that carries limited product lines, is self-service in nature, has long hours of store operation, and includes some services in addition to sales
4. Any retail outlet that sells gasoline
5. The combination of types of products a business sells

Objective: To collect and organize information

Background: To stay up-to-date with current industry trends, professionals in this and other industries read articles and other information. They might save these important items in a pocket folder or portfolio.

Instructions: You are to begin collecting and organizing a portfolio consisting of articles about this and all other assignments in this book; notes from videos, tours, and guest lecturers; brochures and pamphlets collected from related businesses; and any assigned research reports. You are to update your portfolio weekly and keep the items organized so that you can find what you will need to complete later assignments. Once you have five items in your portfolio and an organization system established, explain the contents of your portfolio to your instructor.

Learning Activity 3
Observation Visits to a C-Store, Gas Station, and
Automotive Specialty Service Shop

ASSIGNMENT 1
Industry History and Trends

Objective: To visit local businesses to notice the products and services available

Background: Throughout your related study assignments, you will need to compare and contrast the products and services available at the three types of businesses discussed in the student manual—a full-serve gas station, a convenience store, and an automotive specialty service shop. Observation visits are one way to gain information and to compare the ways other local operations do business.

Instructions: Visit one of each of the three types of businesses mentioned above. Make arrangements with the manager at one of each of the three businesses to take notes in order to complete the chart below. If you are receiving training at one of these types of business, you may use information from your training station. Upon your return to the classroom, prepare and submit this form to your instructor. When it is returned to you, add this activity to your portfolio.

Type Of Business	Products From Top-Ten List	Services From List
Full-Serve Gas Station		
Convenience Store		
Automotive Specialty Service Shop		

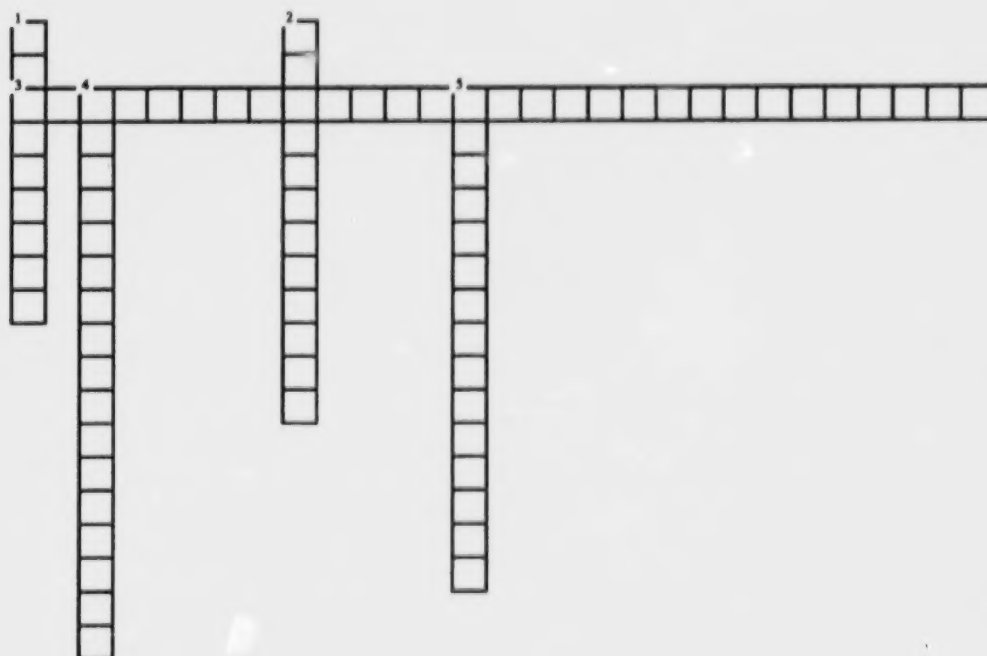
Learning Activity 1
Words to Remember

ASSIGNMENT 2
The Importance of Customer Service

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

3. An employee responsible for maintaining a good relationship between the store and the public

DOWN

1. Products and services offered at a store or shop that are secondary, but related to, the primary function of that establishment
2. The group of people who regularly shop in a particular store

DOWN (continued)

4. Increasing the original sale through the use of helpful, constructive suggestions about products or services the customer may have overlooked or not seen
5. Service given to customers by a store employee, including assisting in answering questions, solving problems, and giving advice about the products and services offered by the store

Objective: To make appropriate suggestions to increase the original purchase

Background: Many times, customers purchase items without thinking or knowing that other items might be necessary or useful to the original item purchased. The cashier in a C-store or automotive specialty service shop or the driveway salesperson in a gas station is responsible for making the customer aware of this need by suggesting a specific, additional item that is usually related, in some way, to the original purchase. You can always suggest merchandise or services that are on sale, whether related to the original purchase or not.

Instructions: In each of the following examples, a customer, and his/her purchase, is described. Tell one or more items that would be an appropriate suggestion for increasing the sale *and* why you made that particular suggestion. There are no right or wrong answers, but your suggestions should be appropriate. When they are returned to you, add them to your portfolio.

1. Male, age 25, in work clothing, who has just purchased a package of cigarettes and a bottle of soda from the cold case.

2. Female, age 25, with an infant and young child, who has just purchased baby food and disposable diapers.

3. Two male teenagers, age 16, from a nearby high school, who have just purchased burritos and soft drinks.

4. Male, age 50, in a business suit, who has just filled (or asked you to fill) his car with gasoline.

5. Female, age 35, in casual clothing, who has just asked for an oil change.

Learning Activity 3
Sketching a Store Layout

ASSIGNMENT 2
The Importance of Customer Service

Objective: To diagram and label a store layout

Background: In order to provide excellent customer service, you need to know where merchandise is located. You can help self-service customers find what they need and you will know the location of merchandise when using suggestion selling techniques.

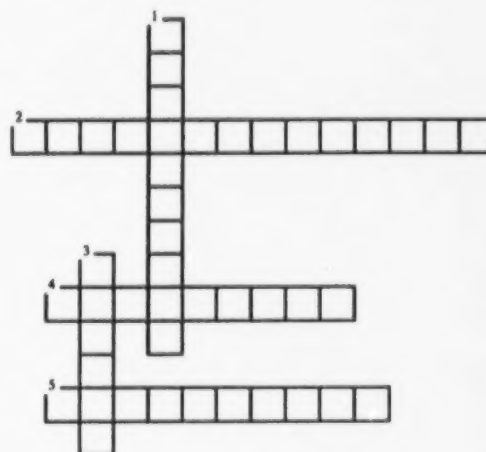
Instructions: Sketch a simple floor plan of your training station, showing its approximate dimensions. Label the location of the cash register/customer service area, each major department, stockroom, and other areas, such as restrooms and offices. Indicate the location of the entrance, other doors, and display windows. You may include exterior features, such as the parking area, sign, sidewalk, gas pump islands, and car wash. When it is returned to you, add this activity to your portfolio.

ASSIGNMENT 3

Completing Sales Transactions

Instructions: Complete the crossword puzzle by using the “Words to Remember” terms found in the assignment.

2. A definite sum of money guaranteed by a reliable company or bank; to be treated like cash
4. A plastic or metal plate just above the change drawer on a cash register where the bills and coins are placed until the correct change has been given to the customer
5. Coupons issued by the federal government to eligible low-income persons to use for food purchases



1. A definite sum of money guaranteed by a reliable company or bank that resembles a check; to be treated like cash
3. Any printed device that offers a "cents off" or discount on the purchase of a specified product; the manufacturer usually reimburses the company the value of the coupon

Learning Activity 2
Making Change

ASSIGNMENT 3
Completing Sales Transactions

Objective: To make change accurately and with the fewest coins and bills possible

Background: Anyone who handles money needs to know correct change-making procedures. Customers expect you to accurately calculate the change they are due and count it back to them. Your manager or business owner, as well, expects you to be accurate because your errors are reflected in the profitability of the business.

Instructions: Using the chart below, enter the number of coins and bills you would use in the following transactions and write, in words, what you would say as you count the change to the customer for each transaction. When it is returned to you, add this activity to your portfolio.

Amt. of Purch.	Cust. Gave	\$10.00	\$ 5.00	\$ 1.00	25¢	10¢	5¢	1¢
\$15.37	\$20.00							
\$12.46	\$15.00							
\$ 3.81	\$ 4.00							
\$ 2.15	\$ 5.00							
\$.59	\$ 1.00							
\$23.88	\$30.00							

1. That's ...
2. That's ...
3. That's ...
4. That's ...
5. That's ...
6. That's ...

Learning Activity 3
Gaining Information about Credit Cards

ASSIGNMENT 3
Completing Sales Transactions

Objective: To determine the names and restrictions of credit cards honored at your training station

Background: A significant number of transactions at C-stores, gas stations, and automotive specialty service shops are made by credit card. You need to learn the names and restrictions of each card honored at your training station so that you can respond with confidence.

Instructions: Using the chart below, prepare a list of the credit cards honored by your training station, plus the restrictions on purchases and the maximum purchase amounts authorized. You may need to visit your training station to gather the necessary information. Upon completion, this activity should be submitted to your instructor. When it is returned to you, add this activity to your portfolio.

Credit Card Name	Restrictions	Max. Purchase Allowed

Learning Activity 4
Gaining Information about Checkout Procedures

ASSIGNMENT 3
Completing Sales Transactions

Objective: To describe a variety of checkout procedures used in your training station

Background: To become a fully competent employee, you must know and understand the variety of checkout procedures established by your manager or company. You should know the kind of register used and your company's method of completing the sales transaction. Your company has a number of rules addressing such issues as helping customers carry bulky purchases to their cars and dealing with customers who insist they gave you more money than they did.

Instructions: Using your employee training manual, an interview with management, or other resources available to you, provide the information and/or describe the procedures your training station uses in the following situations. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

1. What type of register equipment do you use? Are there any particular procedures that are different with this type of equipment?

2. If your store has a different set of checkout procedures than those described in the student manual, describe your procedures.

3. What specific instruction does your store have on bagging purchases?

4. What rule do you follow if a customer insists that more money was given than you believe?

5. What rules do you follow for carrying or assisting a customer with carrying a bulky order to the car?

Learning Activity 1
Words to Remember

ASSIGNMENT 4
Safety and Personal and Store Security

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

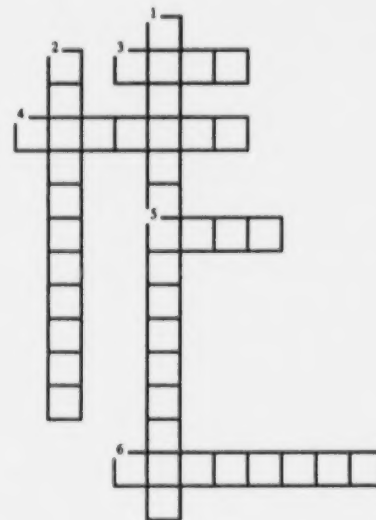
Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

3. A slang term that refers to money that has been marked so that, if stolen, it can be helpful in identifying the robber
4. The taking of money, merchandise, or property from a person by force or threat of physical violence
5. A slang term that refers to the act of visually inspecting a business to see if it is a likely target for a break-in or robbery during business hours
6. The taking of money, merchandise, or property from a store after breaking and entering

DOWN

1. Having an ongoing awareness of safety guidelines and the constant practice of these guidelines
2. The taking of merchandise by a customer or nonemployee



Objective: To describe the procedures and rules established by your training station regarding robbery, burglary, and shoplifting situations

Background: "An ounce of prevention is worth a pound of cure" is especially true in robbery, burglary, and shoplifting situations that might arise at your training station. Management has a responsibility to train you in how to handle each of these situations so that you can protect yourself, customers, and property.

Instructions: Using your employee training manual, an interview with management, or other resources available to you, gather the information necessary to complete this assignment. You are to submit a one- to two-page summary of the information and/or procedures your training station uses in the following situations. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

1. What devices, equipment, and special items have been installed in your training station to deter robbery, burglary, and shoplifting? Which seem to be effective? What other devices could be added to increase the level of security in your training station?
2. Describe the procedure your store has given you concerning your behavior and response immediately following a robbery.
3. Describe the closing procedures used in your store that act as a deterrent for burglary.
4. Describe the procedure your store has given you concerning your behavior and response when handling a shoplifting incident.

Objective: To reinforce correct procedures by role-playing one or more emergency situations

Background: Knowing the correct procedures in emergency situations, such as a fire or medical emergency, can mean the difference between life and death or extreme loss of property. One method for determining how well you know and understand a procedure is to act it out, alone or with other "actors."

Instructions: Alone or with other "actors," you are to role-play one or more of the following emergency situations:

1. A customer discarded a lit cigarette in a trash barrel, which has now started burning. Someone nearby yells, "Fire!" What do you do?
2. A customer drives up with smoke coming out from under the hood. What do you do?
3. A customer slips and falls on the floor another C-store employee has just mopped. You hear the fall and resulting moans. What do you do?
4. A customer drives up, jumps out of the car, runs into the store, and yells, "I think my dad is having a heart attack!"
5. In using the box cutter to open cases of new merchandise, you accidentally slice open the palm of your hand, which is beginning to bleed profusely.

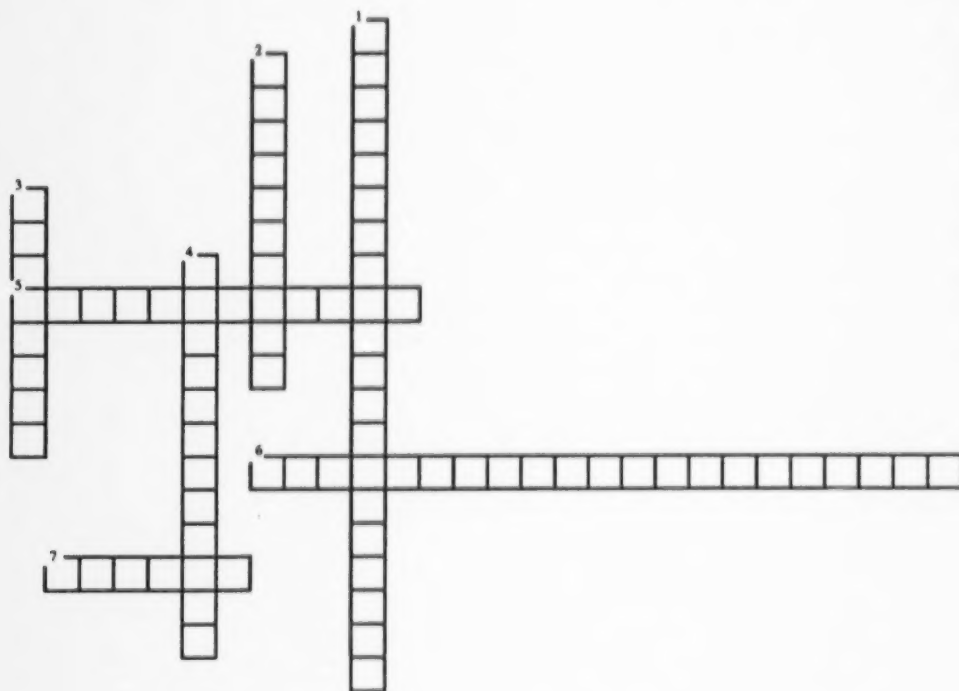
Learning Activity 1
Words to Remember

ASSIGNMENT 5
Learning about Gasolines, Diesel Fuels,
and Liquefied Petroleum Gas

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

5. A rating that expresses the antiknock quality of a motor fuel
6. A mixture of gases used as an efficient motor fuel
7. The leakage of a rich gasoline-air mixture into the crankcase of a gasoline-powered engine that results in the dilution of lubricants

DOWN

1. A cheaper, cleaner-burning fuel than gasoline
2. A motor fuel derived from crude oil that is thicker and heavier than gasoline
3. A product derived from crude oil used as a fuel in most automobiles
4. A rating that expresses the starting capacity of diesel fuels

Objective: To read a petroleum industry article and respond to questions

Background: Employees in petroleum-related industries and retail businesses read trade and business publications to keep abreast of current trends to be more knowledgeable employees.

Instructions: Read the article on the following page, and then, on separate paper, respond to the following questions. Each response should be *at least* three grammatically correct sentences. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

1. Why do you think Diamond Shamrock entered the compressed natural gas market?
2. Briefly explain each of the two different opinions about Diamond Shamrock's decision to close the two Austin fueling stations.
3. What are the environmental benefits of using compressed natural gas as an automobile fuel?
4. If you were responsible for marketing the opening of the six Houston fueling stations, which consumer group(s) would you target, *and why*?

Fuel company shuts natural gas stations

Diamond Shamrock Inc. blamed slack demand on a decision to close two compressed natural gas fueling stations in Austin after only 18 months.

But officials at Austin-based Tren-fuels Inc., which installed the pumps, said competition from Southern Union Gas Co.—which has two of its own natural gas fueling stations—was to blame for the closure of the two fueling stations.

The facilities, at Diamond Shamrock stations at 806 W. Rundberg Lane and 6009 Ben White Blvd., closed last month, said Kathy Hughes, spokeswoman for Diamond Shamrock. They were among the first stations to offer compressed natural gas in the Austin area.

"Demand wasn't there," Hughes said.

Tren-Fuels officials said demand wasn't the problem. The company's venture with Diamond Shamrock could have been successful if a partnership had been forged between Tren-Fuels and Southern Union, said Dan Tatsch, president of Tren-Fuels. The company is an affiliate of Transco Energy Co., which markets compressed natural gas refueling services.

"The people we thought would be our partners—Southern Union—ended up being our competitors," Tatsch said. "Our business plan was stillborn before it even got off the ground."

Tren-Fuels, which has fueling stations in Arizona, California, Nevada, and Texas invested close to \$400,000 into the stations, Tatsch said. He said his company has sent a proposal to Southern Union Gas in the hopes it will buy the equipment from Tren-Fuels and operate the facilities. Southern Union has not responded yet, he said.

Compressed natural gas is a cheaper, cleaner-burning fuel than gasoline. Burning compressed natural gas in automobiles cuts carbon monoxide emissions by at least 60 percent, ozone-forming nitrogen by at least 30 percent, and exhaust hydrocarbons by at least 50 percent, according to the General Land Office.

When the two fueling stations were opened, Diamond Shamrock officials said they believed demand for alternative fuels in the public and private sectors would grow as environmental awareness increased.

A 2-year-old Texas law requires 30 percent of the state's 40,000 vehicles—except for law enforcement and emergency vehicles—to be running on compressed natural gas by 1994. The percentage increases to 50 percent by Sept. 1, 1996, and 90 percent by Sept. 1, 1998.

A station for state vehicles is at 15th and San Jacinto. Southern Union operates fueling stations at the Natural Gas Vehicle Technology Center, 6111 U.S. 290 East, and a Texaco station at 1501 E. Seventh St.

Despite the lackluster performance of its two Austin facilities, San Antonio-based Diamond Shamrock is moving forward with plans to open six compressed natural gas fueling stations in Houston.

Note: This October 5, 1993, copyrighted article is reprinted with permission of the Austin American-Statesman newspaper.

Learning Activity 3
Gathering Information about Fuels

ASSIGNMENT 5
Learning about Gasolines, Diesel Fuels,
and Liquefied Petroleum Gas

Objective: To determine the types of fuels available and how well each type sells

Background: Whether you are an employee of a full-serve gas station or a C-store, you are expected to have basic product knowledge about the variety of fuels available for sale at your training station and in your community. How well each type sells often determines whether a retailer stocks that particular type of fuel.

Instructions: Using information from your training station and other resources, complete the chart below. If a fuel is not available at your training station, obtain the information from another fuel retailer in your community. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Type of Fuel	Additives in Fuel	%age of Fuel Sales	Change from Last Year
Reg. Unleaded			
Prem. Unleaded			
Plus Unleaded			
Auto Diesel			
Truck Diesel			
LPG			
CNG			

Learning Activity 4
Charting Information about Fuels

ASSIGNMENT 5
Learning about Gasolines, Diesel Fuels,
and Liquefied Petroleum Gas

Objective: To chart fuel price and cost information for a six-month period on a graph

Background: Business owners and managers often use charts and graphs to show changes in information over time. Although retail prices are not confidential information (anyone can drive by a gasoline retailer and see large signs advertising prices!), cost information is another subject entirely. Business owners and managers do not want their confidential information leaking out to competitors or other people.

Instructions: Talk with your manager or gasoline supplier to determine how much your business pays for the fuel it purchases. Determine this information for each grade, then calculate the difference between the cost and the price your business charges for the same fuel. Create a chart in the space below, or on separate paper, of average fuel prices over the past six months. Plot one line that indicates the cost and another that marks the retail price. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Learning Activity 1
Words to Remember

ASSIGNMENT 6
Selling Motor Oils and Replacement Filters

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

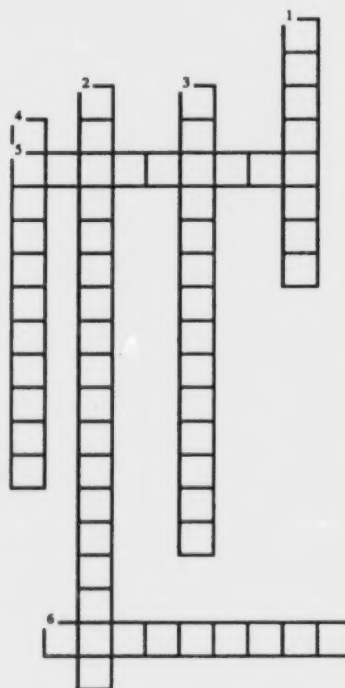
Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

5. A device that filters out contaminants from the oil in an automobile
6. In oil, the ability to remain stable under heat and pressure

DOWN

1. A product made from crude oil used to lubricate, seal, protect, and cool an automobile's engine
2. A motor oil that performs well under a variety of temperatures
3. Way of circulating motor oil in which all of the oil is filtered with each complete circulation
4. An undesirable element that soils, stains, corrupts, or infects another element or a system



Learning Activity 2
Charting Information about Filters

ASSIGNMENT 6
Selling Motor Oils and Replacement Filters

Objective: To determine the types of replacement filters available and how well each sells

Background: In order to sell automotive parts and accessories, you must have product knowledge about types, sizes, and sales volume. Some customers will not know anything about replacement filters, while others will ask for a specific type and size or for the "one that sells the best." You can speak with confidence when you have done the necessary background work.

Instructions: After talking with management or doing research on your own, you will complete the chart below. You are to determine the brands of oil filters, air filters, and fuel filters normally carried by your training station. Also, find out how many different sizes are normally carried in stock. If possible, determine the average sales volume of each category of filter. Upon completion, submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Type/Brand of Filter	# of Sizes Carried	Annual Sales Volume of Each Category
Oil Filters:		\$
Air Filters:		\$
Fuel Filters:		\$

Learning Activity 3
Hosting a Guest Speaker

ASSIGNMENT 6
Selling Motor Oils and Replacement Filters

Objective: To learn more about motor oils from an industry representative

Background: Many types of motor oils are available for sale in your community. Each type has its own combination of additives designed to produce certain advantages for the customer and/or vehicle. By hosting a guest speaker from a major oil wholesaler, you can learn first-hand about motor oils and additives and pass this information on to your co-workers and customers.

Instructions: Prepare a letter of invitation, requesting a guest speaker to make a presentation to your class on motor oil, additives, and other information pertinent to the topic of this assignment. Submit a one-page summary of the presentation to your instructor. When it is returned to you, add this summary to your portfolio.

Learning Activity 4
Gaining Knowledge about Motor Oils

ASSIGNMENT 6
Selling Motor Oils and Replacement Filters

Objective: To determine facts about motor oils that can help sell them

Background: Motor oil is an important part of an engine that runs well and dependably. Many customers do not know enough about motor oil to make wise buying decisions and rely on employees like you to help them make critical decisions. The more you know about motor oil, the easier it will be for you to sell the right motor oil to the customer.

Instructions: Visit your training station to gather information about the brands and qualities of motor oil sold by your C-store or service station. Chart the information you find in the form below, beginning with the lowest quality first. Respond to the summative question at the bottom of this page before submitting this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Quality/Brand Name	Price per Quart
Lowest:	
	\$
	\$
	\$
Medium:	
	\$
	\$
	\$
Highest:	
	\$
	\$
	\$

What information could you give to convince the customer that the better quality of oil is the best and most economical, in the long run, to purchase?

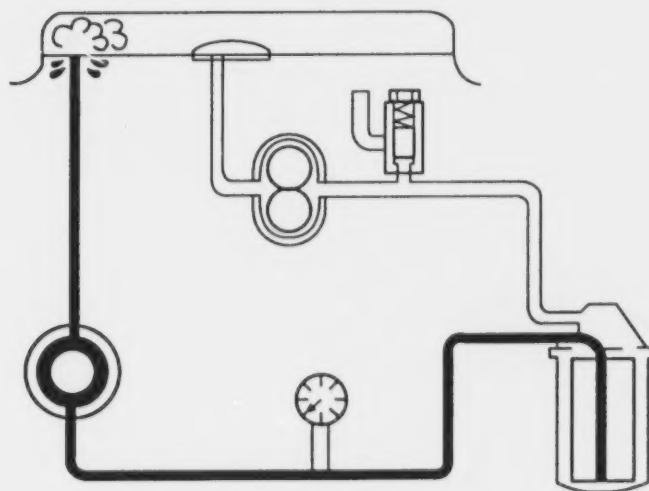
Learning Activity 5
Identifying Oil System Components

ASSIGNMENT 6
Selling Motor Oils and Replacement Filters

Objective: To identify and label key components of a full-flow oil system

Background: In order to understand how oil flows through a full-flow oil system and to communicate oil system-related information to customers using correct terminology, you need to be able to identify the key components.

Instructions: The illustration below was taken from the one in the related assignment in the student manual but with all labels and directional arrows deleted. Based on what you learned from reading the assignment, you are to label the key components and add directional arrows for the full-flow oil system. Refer to the illustration in the manual to self-correct your responses. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.



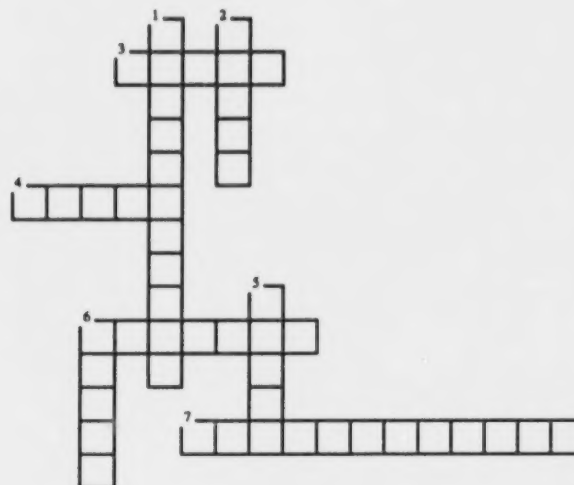
Learning Activity 1
Words to Remember

ASSIGNMENT 7
Selling Tires and Batteries

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

3. In a tire, rubber-impregnated fabric, made of rayon, nylon, or polyester, layered on top of one another
4. A thin layer of special rubber applied to the inside of the first layer of the tire to create an airtight seal and keep the pressure inside the tire
6. In an automobile, a device that stores chemical energy that is converted to electricity used to turn over the engine and operate a car's electrical systems until the engine's alternator or generator can take over
7. A dangerous condition in which the tire actually floats on water instead of making direct contact with the road

DOWN

1. An acid-water solution that circulates in the battery to turn chemical energy into electrical current
2. Strands of high-tensile strength steel wire molded into a tire's body that hold a tire tightly to the rim and add strength to it
5. The part of the tire that makes direct contact with the road, molded into ribs and grooves to give traction
6. The stabilizing part of the tire located underneath the tread used to reinforce the tread and increase its life

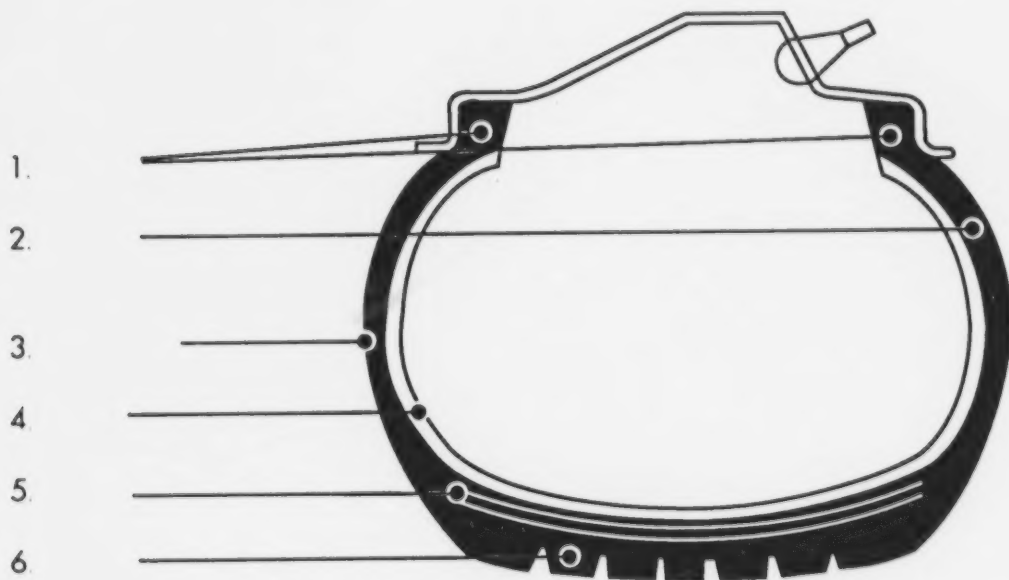
Learning Activity 2
Identifying Parts of a Tire

ASSIGNMENT 7
Selling Tires and Batteries

Objective: To identify and label key parts of a tire

Background: In order to understand how a tire functions and to communicate tire-related information to customers using the correct terminology, you need to be able to identify the key parts.

Instructions: The illustration below was taken from the one in the related assignment in the student manual but with the labels deleted. Based on what you learned from reading the assignment, you are to label the tire parts. Refer to the illustration in the manual to self-correct your responses. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.



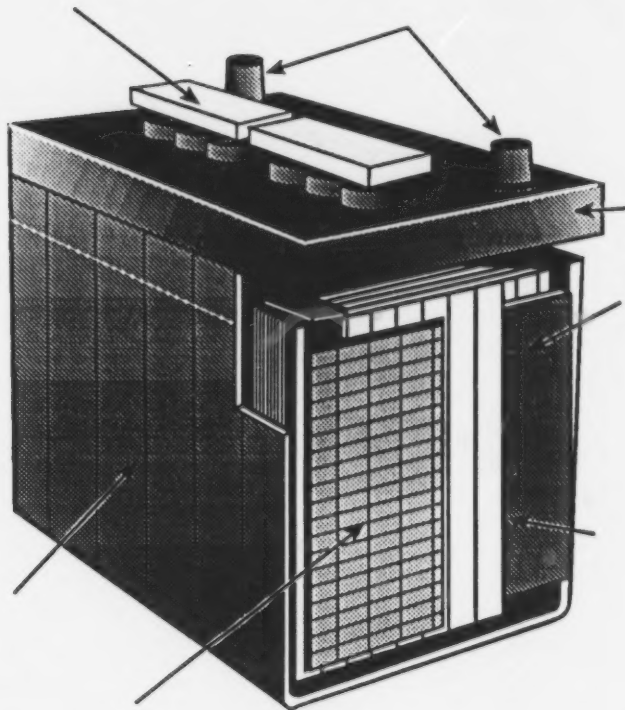
Learning Activity 3
Identifying Parts of a Battery

ASSIGNMENT 7
Selling Tires and Batteries

Objective: To identify and label key parts of a battery

Background: In order to understand how a battery functions and to communicate battery-related information to customers using the correct terminology, you need to be able to identify the key parts.

Instructions: The illustration below was taken from the one in the related assignment in the student manual but with the labels deleted. Based on what you learned from reading the assignment, you are to label the battery parts. Refer to the illustration in the manual to self-correct your responses. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.



Learning Activity 4
Creating a Feature-Benefit Analysis

ASSIGNMENT 7
Selling Tires and Batteries

Objective: To use sources of merchandise information to learn more about tires and batteries

Background: Keeping up with the many tires and batteries available can be a challenging task, but it is necessary in order to sell them. You, as a well-informed employee of a gas station or automotive specialty service shop, can help steer a customer's decision and make the customer feel important with the attention you give. You need to stay up-to-date on the newest brands being advertised as well as the products' features, benefits, and selling points.

Instructions: From the stock of tires and/or batteries your business carries, select one brand of each, if possible, that you want to actively sell. Prepare a feature-benefit analysis using the outline below. You will need to duplicate this page if you are completing an analysis for a tire and a battery. Submit this activity to your instructor. When it is returned to you, add it to your portfolio.

1. Type and Brand of Product: _____

2. At least three features:

At least one benefit per feature:

- | | |
|----------|----------|
| a. _____ | 1. _____ |
| | 2. _____ |
| b. _____ | 1. _____ |
| | 2. _____ |
| c. _____ | 1. _____ |
| | 2. _____ |
| d. _____ | 1. _____ |
| | 2. _____ |

3. At least two reasons a customer might choose this product over the low-priced or promotional item:

- a. _____
- b. _____
- c. _____

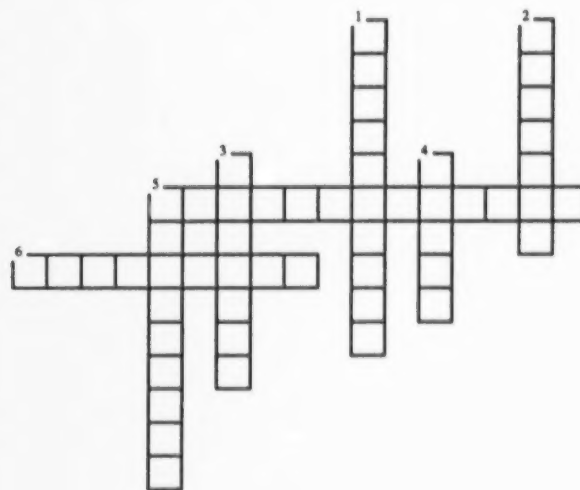
Learning Activity 1
Words to Remember

ASSIGNMENT 8
Selling Replacement Parts

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

5. Devices that dampen the up-and-down movement of a car's wheels on rough roads and uneven pavement
6. Using some type of fluid to move or resist movement

DOWN

1. Rugged and dependable belts made of rubber that are used to connect the water pump, generator or alternator, air-conditioning compressor, and power steering/brake pump to the crankshaft of an automobile engine
2. The automobile accessory housed under the car's body that reduces engine noise

DOWN (continued)

3. A water-antifreeze mixture that circulates through the radiator
4. In an automobile, there are radiator hoses, heater hoses, and hydraulic hoses, all of which are made mostly of rubber and which circulate coolant, water, or other materials needed for proper engine function
5. A small, single device with no moving parts that ignites the gasoline-air mixture within the combustion chamber

Learning Activity 2
Gaining Information about Spark Plugs

ASSIGNMENT 8
Selling Replacement Parts

Objective: To gain more information about inspecting and replacing spark plugs

Background: If your training station services and replaces spark plugs, you need to know the recommended procedures for inspecting, selling, removing, and installing them. The efficient operation of a car's engine depends on reliable spark plugs. You provide an excellent service to customers by ensuring that their spark plugs are serviceable.

Instructions: Prepare your description of the following procedures as a brief written report, attach it to this activity, and submit it to your instructor. When it is returned to you, add this activity to your portfolio.

Recommended procedures for:

- a. Routine inspection to determine cleaning, regapping, or replacement
- b. Removal of spark plugs
- c. Installation of spark plugs
- d. Methods to determine correct size, gap, and type for the engine

ASSIGNMENT 8

Selling Replacement Parts

Instructions: Visit your training station to gather information about the brands of automotive accessories sold by your C-store or service station. Chart the information you find in the form below. Respond to the summative question at the bottom of this page before submitting this activity to your instructor. When it is returned to you, add this activity to your portfolio.

[illegible]

163

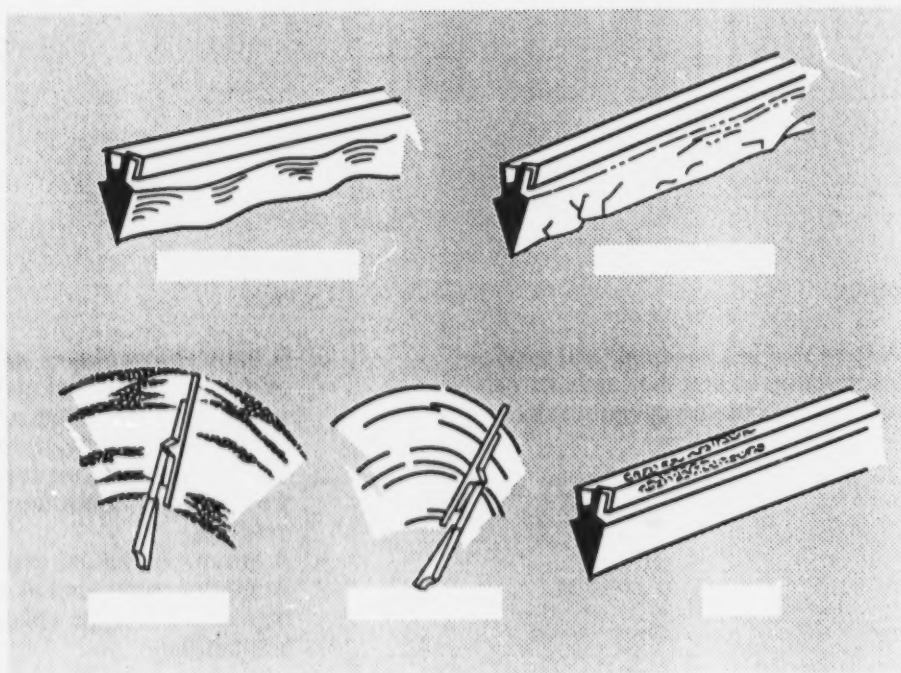
Learning Activity 4
Identifying Wiper Problems

ASSIGNMENT 8
Selling Replacement Parts

Objective: To identify potential problems when servicing windshield wiper blades

Background: Even though windshield wipers are small and usually unnoticed, they are a serious factor in the safe operation of an automobile. You should look for telltale signs of damaged, worn-out blades when you are making a routine service check of the car. If blades need replacing, show the condition to the customer and suggest one or two refill blades.

Instructions: The illustration below was taken from the one in the related assignment in the student manual but with the labels deleted. Based on what you learned from reading the assignment, you are to label the windshield wiper conditions. Refer to the illustration in the manual to self-correct your responses. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.



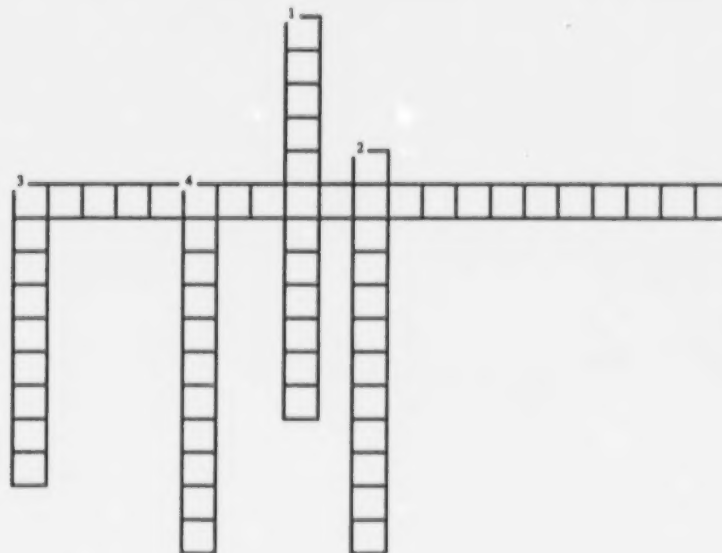
Learning Activity 1
Words to Remember

ASSIGNMENT 9
Selling Automotive Services

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

3. A form that has customer and service information so that the customer can be notified for recommended services

DOWN

1. A booklet that comes with the purchase of a new vehicle that gives the customer specific details on automotive maintenance and warranty information
2. The amount of work done in relation to the number of labor hours and capital invested
3. A group of satisfied, repeat customers
4. Activities performed as part of the regular and routine upkeep of an automobile

Learning Activity 2
Gaining Product/Service Information

ASSIGNMENT 9
Selling Automotive Services

Objective: To gain more information about the products and services available at your training station

Background: In order to provide excellent customer service, each employee needs to know the products and services available for each of the twelve automotive systems identified in this assignment. One method for you to learn this vast amount of information is to put it into a chart format for ready reference during your training period. As time passes and you become more knowledgeable, you will only need to update your chart as new products and services become available or are discontinued.

Instructions: For each of the twelve systems, list products and services that your business offers. If no product or service is offered, note that fact in the space provided. If inspection only is offered, note that fact as well. You can gain the information necessary to complete this activity from your manager or from brochures designed for customers. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Automotive System	Products/Services Offered
Fuel	
Starting	
Ignition	
Charging	
Cooling	
Lubrication	
Drive	
Suspension	
Steering	
Brake	
Exhaust	
Safety	

ASSIGNMENT 9

Selling Automotive Services

Instructions: Locate an article on one or more automotive services performed at your training station. This article can be from a recent trade magazine or other related publication. Photocopy or cut out the article for your use in completing this assignment. Submit the article and the following information to your instructor. When it is returned to you, add this activity to your portfolio.

1. Source of the article and its date of publication:
2. Five-sentence summary of the article:
3. Automotive service terms circled or identified in some way
4. Three-sentence personal reaction to the article:

Learning Activity 1
Words to Remember

ASSIGNMENT 10
Stockkeeping and Merchandising

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

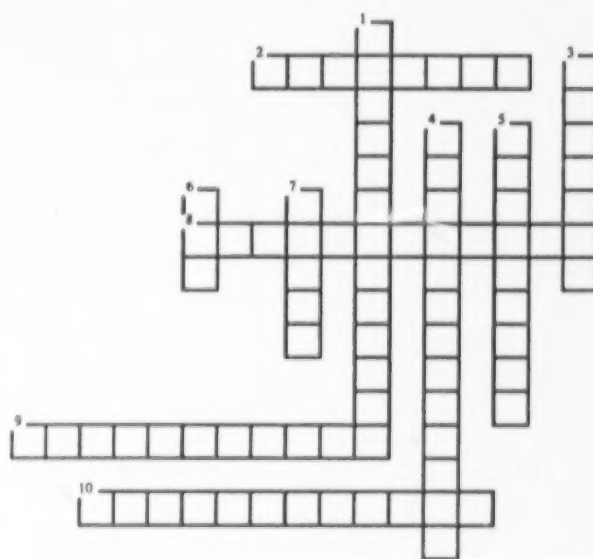
Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

2. The number of times an item is bought, sold, and replenished during a certain period of time
8. A condition of ordering more merchandise than can normally be expected to sell until the next shipment arrives
9. The number of units of a particular product that actually face the customer on the shelf; measured by width and height of the stacked units
10. The process of ordering, receiving, and putting merchandise on shelves or displays to meet expected customer demand

DOWN

1. A condition of ordering insufficient quantities to meet expected sales demands until the next shipment arrives
3. Any food item or product or material that can be reused and sold or has some value
4. The process of having the right item in the right amount in the right assortments and varieties at the right price at the right time and at the right place so it will produce the maximum sales volume needed to give the desired profit
5. Losses that occur from stock that is neither reported nor recorded for accounting purposes



DOWN (continued)

6. Point-of-sale
7. Products or materials that have no value or are spoiled or damaged to the extent that they are no longer usable and should be thrown away or destroyed

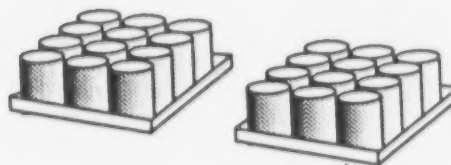
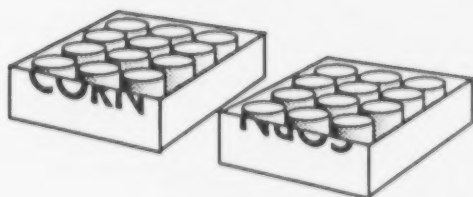
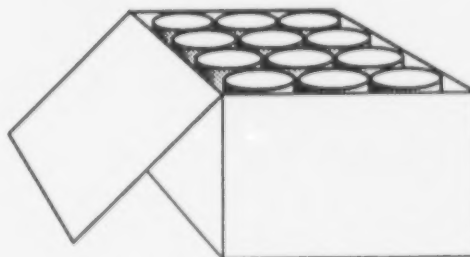
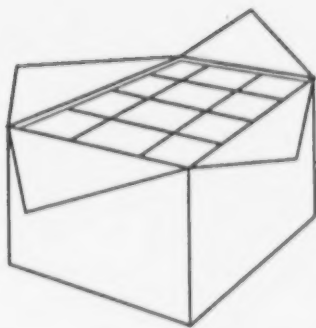
Learning Activity 2
Cutting Boxes

ASSIGNMENT 10
Stockkeeping and Merchandising

Objective: To identify the several methods of cutting boxes of merchandise

Background: There are many acceptable ways to open a carton or case of merchandise. Some stores use cartons or parts of cartons to hold the goods, such as cans of motor oil. Regardless of the method, you must use care and judgment in opening cartons. The contents can be damaged by making the wrong cuts or cutting too deeply, and you should be aware of the risk of injury to yourself when using a box-cutting knife.

Instructions: The illustration below was taken from the one in the related assignment in the student manual but with the labels deleted. Based on what you learned from reading the assignment, you are to label the common methods of opening cartons. Refer to the illustration in the manual to self-correct your responses. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.



Objective: To identify and describe various merchandising responsibilities

Background: Each business should have established procedures to follow when receiving, checking, and marking merchandise. You should know what to do if you discover shortages, substitutions, or damages upon delivery or when checking the order. You should know the procedures used by your business for opening cartons and stocking the merchandise, as well as other merchandising responsibilities.

Instructions: You are to prepare a written report identifying and describing the following merchandising responsibilities. Attach related forms if they are available for your use. Fill in some of the forms as you or a supervisor would. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Procedures:

1. Explain how merchandise is received at your training station. If you discover shortages, substitutions, or damages in the delivery, what procedure do you follow?
2. Explain how merchandise is ordered. How often is merchandise ordered, and are the procedures different for vendor-supplied merchandise?
3. Describe the price-marking equipment used by your training station. What is the procedure for making price changes?
4. Describe the procedures for opening cartons.
5. List the merchandising responsibilities you have, describing procedures for those not listed above.
6. Explain the decisions you are authorized to make.
7. Complete and attach any merchandising-related forms provided by your training station.



Learning Activity 4
Summarizing an Article

ASSIGNMENT 10
Stockkeeping and Merchandising

Objective: To locate, read, and summarize an article on stockkeeping or inventory control techniques or issues

Background: Current trends and issues in the area of stockkeeping and inventory control include using just-in-time distribution, SKUs for more detailed reporting of merchandise sales, and computerized perpetual inventory systems. Good stockkeeping and inventory control systems can mean bigger profits for the store; therefore, managers and store owners must stay up-to-date on the latest technologies by reading articles found in the business section of local newspapers, national newspapers like *USA Today*, business newspapers like *The Wall Street Journal*, and other periodicals.

Instructions: Locate an article in a recent newspaper or business magazine. Photocopy or cut out the article for your use in completing this assignment. Submit the article and the following information to your instructor. When returned to you, add this activity to your portfolio.

1. Source of the article and its date of publication:
2. Five-sentence summary of the article:
3. Stockkeeping and/or inventory control terms circled or identified in some way
4. Three-sentence personal reaction to the article:

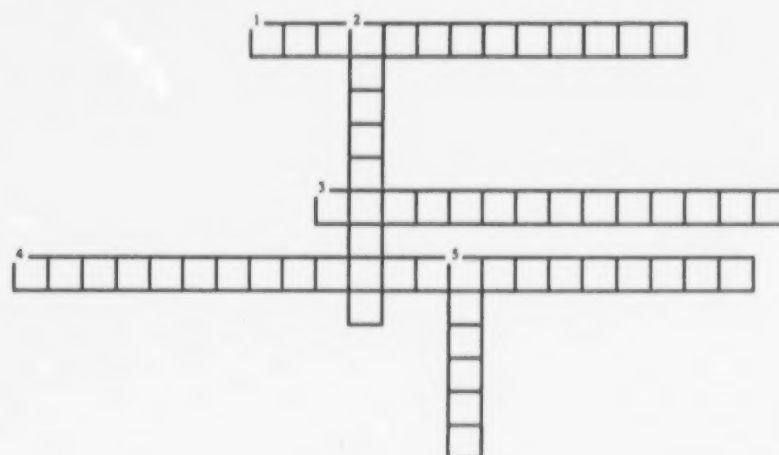
Learning Activity 1
Words to Remember

ASSIGNMENT 11
Working with Vendors

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

1. A receipt that deducts a certain amount from the store's bill for merchandise returned to the vendor
3. An agreement between vendor and management that any damaged, returned, spoiled, or outdated goods will be picked up by the vendor for credit or free replacement
4. A promotional tool whereby a company or manufacturer will share the costs of advertising with a local store when specific products or brand names are prominently mentioned

DOWN

2. Any freestanding, specially constructed unit for holding merchandise
5. Any supplier or distributor who sells and delivers goods to your store

Objective: To observe one or more deliveries of vendor-supplied merchandise

Background: Vendors supply needed and valuable merchandise and services to retail businesses. Businesses establish procedures for vendor deliveries that take into account the needs of the business and its customers, as well as of the vendors, in making their scheduled deliveries. Vendors will be honest when they know that you follow the rules, count and check all orders, and check the paperwork.

Instructions: Make arrangements with your supervisor to observe one or more vendor deliveries. Note how the supervisor handles the following situations. Submit your observations in a one- to two-page summary to your instructor. When it is returned to you, add this activity to your portfolio.

Situations:

1. Does the supervisor compare the invoice and delivery ticket for discrepancies?
2. What does the supervisor do if there are substitutions, shortages, or damaged goods?
3. Does the supervisor look inside each carton and count the items, or just assume that the order is correct?
4. Does the supervisor check all copies of the invoice to ensure that the counts and prices are correct before signing?
5. How are out-of-date goods handled by the vendor?
6. Does the supervisor double-check to ensure that the vendor is using the correct and right amount of display space?
7. Does the supervisor ensure that the vendor takes only empty cartons and boxes (unless crediting or replacing out-of-date merchandise) when leaving?
8. What are some other situations you observe that are not noted above?

Learning Activity 3
Learning about Your Vendors

ASSIGNMENT 11
Working with Vendors

Objective: To find out information about vendor-supplied merchandise and services and the relationships your business has with its vendors

Background: In order to provide excellent customer service, you should know the merchandise and services provided by vendors to answer questions customers may ask. In order to strengthen the relationships your business has with its vendors, you need to know and understand the obligations you have with those vendors. The more efficient vendor operations become, the more profitable they will be for the business.

Instructions: After consulting with your store manager or business owner, list the products and services that are vendor supplied in the chart below. Then respond to the four questions beneath the chart on separate paper. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Vendor	Products/Services Offered

1. What relationships and agreements does your management have with vendors?
2. What are your obligations and relationships with vendors who call on your place of business?
3. Describe the specific obligations vendors have with your business.
4. How can you help keep vendor relations efficient for your business?

Learning Activity 1
Words to Remember

ASSIGNMENT 12
Assisting with Inventory Control

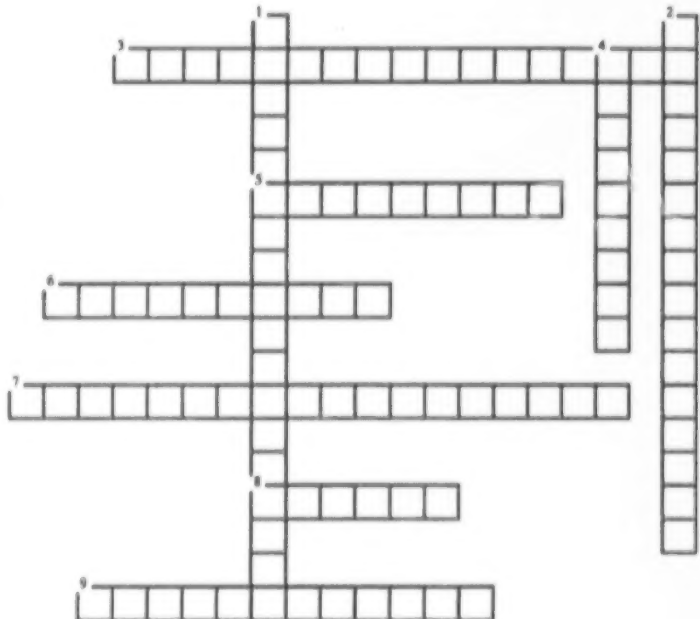
Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

3. The minimum amount of margin an item must contribute to the business based on the actual square feet of selling space it occupies
5. Money resulting from sales after all costs and expenses have been paid
6. Decrease in value
7. Durable, but expensive, item necessary to operate a business
8. Amount added to cost price of an item to arrive at selling price or retail; also called gross profit and markup
9. The act of making large, unusual, or unfair profits during times of emergency or economic crises; it involves taking advantage of consumers due to a shortage of materials or supplies, being first on the market with a new product, or being the only supplier in the community that sells the product



DOWN

1. The net profit a business earns for its owner
2. Any of several methods used to regulate the ordering and on-hand amounts of an item so that the business is neither overstocked nor understocked, ensuring maximum profitability and efficiency

DOWN (continued)

4. (*noun*) Stock of goods on hand and available for sale; (*verb*) to count items of stock on hand, recording cost and retail price, in order to determine profitability and efficiency of the entire operation

Objective: To find out information about inventory control systems used at your training station

Background: Having accurate inventory information provides for more efficient business operations. By conducting periodic physical inventories and comparing the results with the computerized inventory, the manager/owner can determine the effect of shortages from shoplifting and other sources. You may be responsible for conducting the physical inventory or getting the merchandise ready for the professional inventory team hired by your company.

Instructions: You are to prepare a brief report describing the inventory system and procedures used by your training station. Specifically answer the questions listed below, adding other relevant information and forms you might receive. Submit your report to your instructor. When it is returned to you, add this activity to your portfolio.

Questions:

1. How often is physical inventory taken?
2. Are any items inventoried daily? weekly? monthly?
3. Is a year-end inventory taken?
4. Who is responsible for taking inventory? for reporting the results, and to whom?
5. What kind of control system is used to prevent shortages?

Learning Activity 3
Analyzing Benefits of Fast Stock Turnover

ASSIGNMENT 12
Assisting with Inventory Control

Objective: To review the benefits of fast stock turnover and analyze their importance to the business and customer

Background: Stock turnover measures the speed and efficiency at which items come into a business and are sold or converted to cash. The more times you can buy, sell, and buy again during a given period of time, the more money or profit the business will earn for its owner.

Instructions: In the chart below, you are to list at least four of the benefits of fast stock turnover found in the related assignment in the student manual. Next to each benefit, describe in your own words the importance of that benefit to the business and/or customer. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Benefit	Importance of Benefit to Business and/or Customer

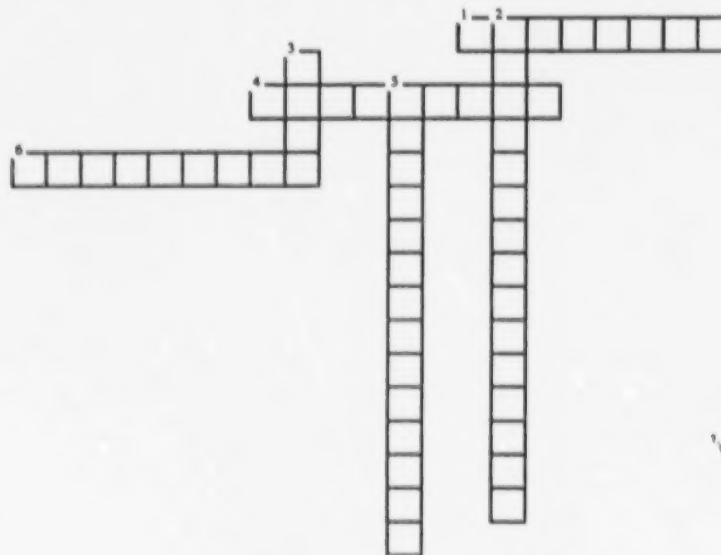
Learning Activity 1
Words to Remember

ASSIGNMENT 13
Controlling Losses and Shortages

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

1. Management system used to account for all money and merchandise transactions
4. A ticket signed by the customer authorizing the service work and estimating the amount due
6. Difference between the estimated sales, profit, or money on hand and the actual sales, profit, or money on hand

DOWN

2. A financial plan that estimates how much a particular business will generate in revenues and expenses over a specified period
3. A condition in which costs and expenses exceed income
5. An optional feature of electronic cash registers which reads bar codes, eliminating the need to enter prices or stock numbers manually

Learning Activity 2
Learning about Controls

ASSIGNMENT 13
Controlling Losses and Shortages

Objective: To find out information about the controls that are, or should be, in effect at your training station

Background: Many businesses can go broke from losses caused by poor recordkeeping, employee dishonesty, inadequate inventory methods, loose methods of handling cash and credit charges, and a number of other reasons. By hiring and training good employees and having a tight system of controls, managers can help ensure the success of their businesses.

Instructions: You are to list the controls in effect at your training station for the situations identified in the chart below. If your business has no rule for the given situation, develop one and note it with a star in the margin. Write the new rule as if you were the manager or owner. Submit this activity to your instructor. When it is returned to you, add this activity to your portfolio.

Situation	Rule or Procedure to Follow
Closing at the end of a shift or for the day	
Balancing cash each shift or day	
Taking physical inventory	
Handling cash	
Handling credit card invoices	
Checking deliveries	
Price-marking merchandise	
Being alert	
Handling shoplifters	

Learning Activity 3
Summarizing an Article

ASSIGNMENT 13
Controlling Losses and Shortages

Objective: To locate, read, and summarize an article on techniques or issues related to controlling business losses and shortages

Background: Current trends and issues in the area of controlling losses and shortages can mean bigger profits for the business, so managers and store owners must stay up-to-date on the latest technologies by reading articles found in the business sections of local newspapers, national newspapers like *USA Today*, business newspapers like the *Wall Street Journal*, and other periodicals.

Instructions: Locate an article in a recent newspaper or business magazine. Photocopy or cut out the article for your use in completing this assignment. Submit the article and the following information to your instructor. When it is returned to you, add this activity to your portfolio.

1. Source of the article and its date of publication:

2. Five-sentence summary of the article:

3. Terms related to controlling losses and shortages circled or identified in some way

4. Three-sentence personal reaction to the article:

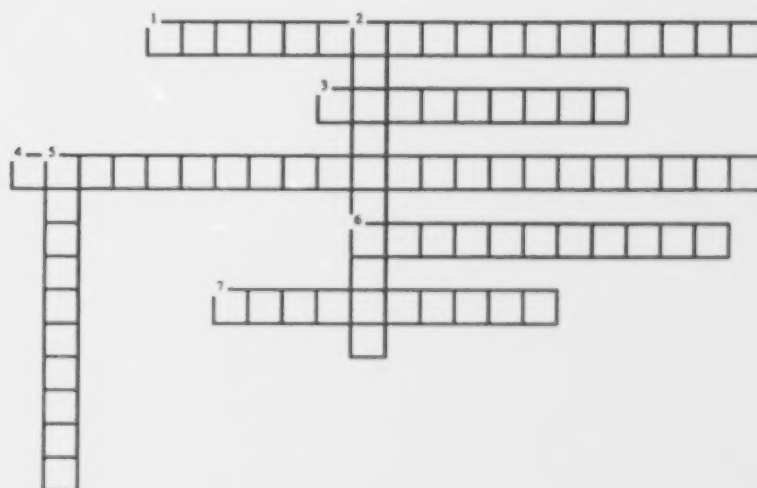
Learning Activity 1
Words to Remember

ASSIGNMENT 14
Promoting the Business

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.



ACROSS

1. Methods of getting the same message to large numbers of people
3. The various means or methods of informing potential customers about a store's products and services
4. Method of sharing advertising costs with the supplier of merchandise you sell or with other retail operations
6. Calling the attention of a store or a particular product or service that a store offers to the public by means of newspapers, television commercials, radio spots, or other forms of mass media
7. Another business selling similar products and services to your customers and potential customers

DOWN

2. The area around your store from which you can reasonably expect demand for your goods and services
5. Aims or goals that enable the end result of a particular strategy or campaign to be met

Learning Activity 2
Planning the Promotional Campaign

ASSIGNMENT 14
Promoting the Business

Objective: To decide the budget and determine the objectives for a three-month promotional campaign

Background: Before planning any kind of promotion strategy, you must first decide how much money will be spent. You plan according to the dollars you have available for this budget expense. In planning a promotional campaign, you must also set one or more objectives or goals to be achieved as a result of the promotion. The success of your promotional campaign can be determined by the amount and quality of planning you have done.

Instructions: This activity, and the two that follow, involve planning, designing, and evaluating a three-month promotional campaign for the related business of your choice. You will need to use a number of resources in obtaining the background information necessary to complete these activities. Consult with your manager, especially on costs and media available, and use reference materials available in your classroom and in the school and public libraries. Respond to the following questions in a one-page report, providing as much background information as possible. Submit your report to your instructor. When it is returned to you, add this activity to your portfolio.

1. Describe the business you have selected for this series of activities. Include information about the type of business, its location, current and potential customers, whether it is a new or established business, etc.
2. Set a budget according to the amount you think should be spent, keeping in mind the percent of sales figures mentioned as reasonable in the related assignment. Justify your dollar amount for the promotion with fictitious or real sales figures.
3. Determine the specific objective(s) you want to achieve. Justify the objective(s) with fictitious or real situations.

Learning Activity 3
Designing the Promotional Campaign

ASSIGNMENT 14
Promoting the Business

Objective: To evaluate the appropriateness of various promotional methods and then design a three-month promotional campaign

Background: For most retail establishments, promotion means advertising, display, and goodwill or public relations. Other, more creative methods may be used successfully in a variety of situations. Often the most effective promotion is one that is the most original and that combines several methods to reach the most potential customers.

Instructions: This activity involves designing a three-month promotional campaign for the business you selected in the previous activity. You will need to use a number of resources in obtaining the background information necessary to complete these activities. Consult with your manager, especially on costs and media available, and use reference materials available in your classroom and in the school and public libraries. Respond to the following questions, providing as much background information and examples of your ideas as possible. Submit your project/report to your instructor. When it is returned to you, add this activity to your portfolio.

1. Determine the promotional methods you will use. Justify your choices based on expense, availability, and other factors.
2. Describe your promotional campaign, what products and/or services you will promote, and how it will be done. Identify which parts will be done by you and which will be done by others, such as display materials from vendors.

Objective: To evaluate a three-month promotional campaign

Background: Any promotional campaign needs constant evaluation. The increase in sales as the result of the campaign should be sufficient to pay for the costs of the campaign, plus some toward the overall profitability of the business. The owner can use the results to help guide the campaigns for the following months and years. You learn best about promotion through experience.

Instructions: This activity involves evaluating the three-month promotional campaign you planned and designed in the previous two activities. Respond to the following questions on this page, and submit your responses to your instructor. When it is returned to you, add this activity to your portfolio.

1. Tell how you would evaluate the results of the promotional campaign.

2. Describe how this information could be used to plan future campaigns.

Learning Activity 1
Words to Remember

ASSIGNMENT 15
Getting the Job and Training

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

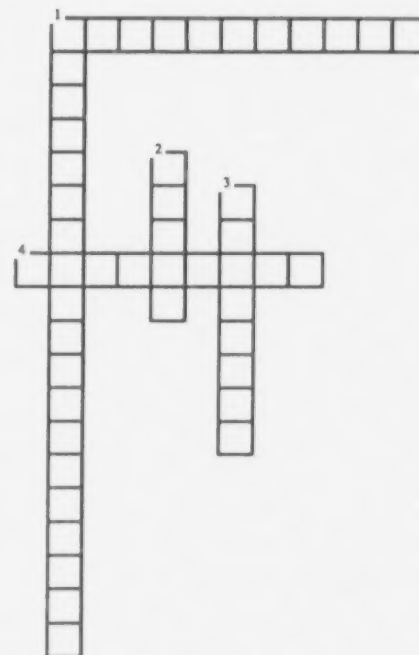
Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

1. The qualities and characteristics that make you a unique person
4. An electronic test designed to determine the reliability of the person's responses

DOWN

1. A policy that encourages managers to move current employees into supervisory positions, rather than hiring someone from outside the business for the position
2. The popular conception the public has about a particular business
3. A systematic approach used to teach or make one prepared through personal involvement with the process



Objective: To more clearly visualize the organization of a business by sketching an organization chart

Background: In order to more clearly understand your training position and how your work is interrelated to the work of those around you, an organization chart is a useful tool. Many businesses can provide you with a copy of their organization chart but it may include only the positions, not their names. If your training station does not have an organization chart available for your use, you can develop one using the state-adopted textbook for marketing education.

Instructions: Using information gathered from printed materials from your training station, interviews with co-workers, or other sources, sketch and label an organization chart for the business in which you are training. Your organization chart should indicate all major areas employing personnel at your local training station. Your chart can include names and positions or positions only, depending on the size of the organization. If you are not receiving on-the-job training, prepare an organization chart for the related business of your choice. Submit your organization chart to your instructor. When it is returned to you, add this activity to your portfolio.

Learning Activity 3**Identifying and Analyzing Help-Wanted Advertisements****ASSIGNMENT 15****Getting the Job and Training**

Objective: To find help-wanted advertisements in local newspapers for appropriate employment in related businesses

Background: One popular method for determining where job openings exist in a local community is to look through the help-wanted section of newspapers. Many openings exist within the industry because of the great numbers of C-stores, service stations, and automotive specialty service shops.

Instructions: Bring one or more issues of the local newspaper (or a larger regional newspaper, if you are located in a small town) to class to complete this activity. Locate the help-wanted section within the classified advertisements, and then find the appropriate heading for specific positions of interest. Circle advertisements with one color (ink, pencil, or marker) that would be appropriate for a part-time, entry-level employee. Circle advertisements with another color to indicate full-time, experienced employment possibilities. Circle advertisements with a third color to indicate supervisory/management positions. Code your findings on this page, attach your advertisements, and submit them to your instructor. When it is returned to you, add this activity to your portfolio.

Identification Used:

- Part-time, entry-level employee—
- Full-time, experienced employee—
- Supervisory/management position—

Objective: To learn the responsibilities and benefits of being a supervisor

Background: Throughout your training experience, you have been supervised by one or more full-time employees. You have been trained by and have worked side-by-side with supervisors in order to learn your job. Because supervisors have a tremendous responsibility to you, to the business, and to the customer, their job is challenging. On the other hand, being a supervisor has a number of benefits, as well.

Instructions: Arrange to interview your immediate supervisor or other long-time supervisor employed by your training station. Develop a list of questions, using the ones below as a starting point. After the interview, submit a one-page summary to your instructor. When it is returned to you, add this activity to your portfolio.

Possible Topics:

1. How long have you been employed at (name of business)? How much of that time has been spent as a supervisor? What previous experience at similar businesses did you have before coming here?
2. Describe the "strangest" customer you have ever served.
3. What are the three most difficult things about your job as a supervisor?
4. When you have had a difficult customer or employee situation to resolve, how does it affect you, and what do you do about it?
5. What are the three best things about your job as a supervisor?
6. If you were the owner, what one thing would you do to make the supervisor's job easier?
7. If you had it all to do over again, would you be a supervisor? Why or why not?

Learning Activity 1
Words to Remember

ASSIGNMENT 16
Moving Toward Supervisory/Management Duties

Objective: To identify terms related to the petroleum industry

Background: In order to secure an entry-level position and to advance within the petroleum industry, a working knowledge of terminology is essential.

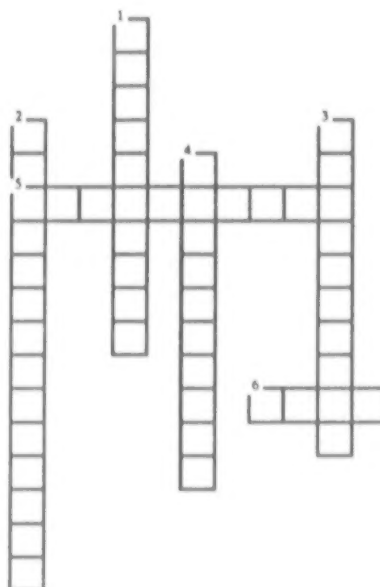
Instructions: Complete the crossword puzzle by using the "Words to Remember" terms found in the assignment.

ACROSS

5. An employee who sees that the policies and procedures established by the owner or corporate management are carried out
6. The change supply that each cash register needs at the start of the day

DOWN

1. The science or art that determines and directs what is done to carry out a mission or to reach goals or objectives
2. Differences in treatment made on a basis other than individual merit, usually race, sex, religion, or ethnic background
3. An attempt to torment an individual through repeated remarks or physical contact
4. A supervisor or manager's review of an employee's skill level, attitude about work, work habits, and leadership qualities conducted either once or twice a year



Objective: To determine how the role of the supervisor/manager is changing

Background: Teamwork has become an important part of every business organization, with work groups now being referred to as quality circles, self-managing teams, or simply teams. The "team" movement involves a group of people working together to accomplish common goals or objectives. Many supervisors and managers have become comfortable with their role as the "boss" and have been reluctant to accept this new movement. Despite this occasional resistance, employee involvement is used more and more to make many of the complex decisions facing businesses.

Instructions: Using one or more articles from trade journals or interviewing a supervisor or manager, identify at least two ways the role of the supervisor/manager is changing. Submit to your instructor a one-page summary of your findings, including your reaction to the following question: "*How do you see yourself fitting into the changing role of the supervisor/manager?*" When it is returned to you, add this activity to your portfolio.

Objective: To collect at least three sample evaluation instruments and compare their similarities and differences

Background: Performance evaluations are designed to give employees feedback about how they are performing their work. These evaluations are conducted either once or twice a year and are intended to review an employee's skill level, attitude about work, work habits, and leadership qualities. Although the forms themselves may look different, the evaluation criteria and performance measurement systems are usually similar.

Instructions: Working individually or in small groups, collect at least three evaluation instruments for your job level or for other job levels. If you are working individually, discuss with a supervisor or manager the evaluation procedure used at his or her place of business. If you are working in a group, discuss how evaluations are performed at each student's training station. Make a list of the similarities and the differences found in the forms. Report your evaluation procedures findings in a three- to five-sentence paragraph. Submit your comments and the evaluation instruments to your instructor. When returned to you, add this activity to your portfolio.

Instructions: Locate an article in a recent newspaper or business magazine dealing with either discrimination or harassment issues. Photocopy or cut out the article for your use in completing this assignment. Submit the article and the following information to your instructor. When it is returned to you, add this activity to your portfolio.

1. Source of the article and its date of publication:
2. Five-sentence summary of the article:
3. Discrimination or harassment terms circled or identified in some way
4. Three-sentence personal reaction to the article:

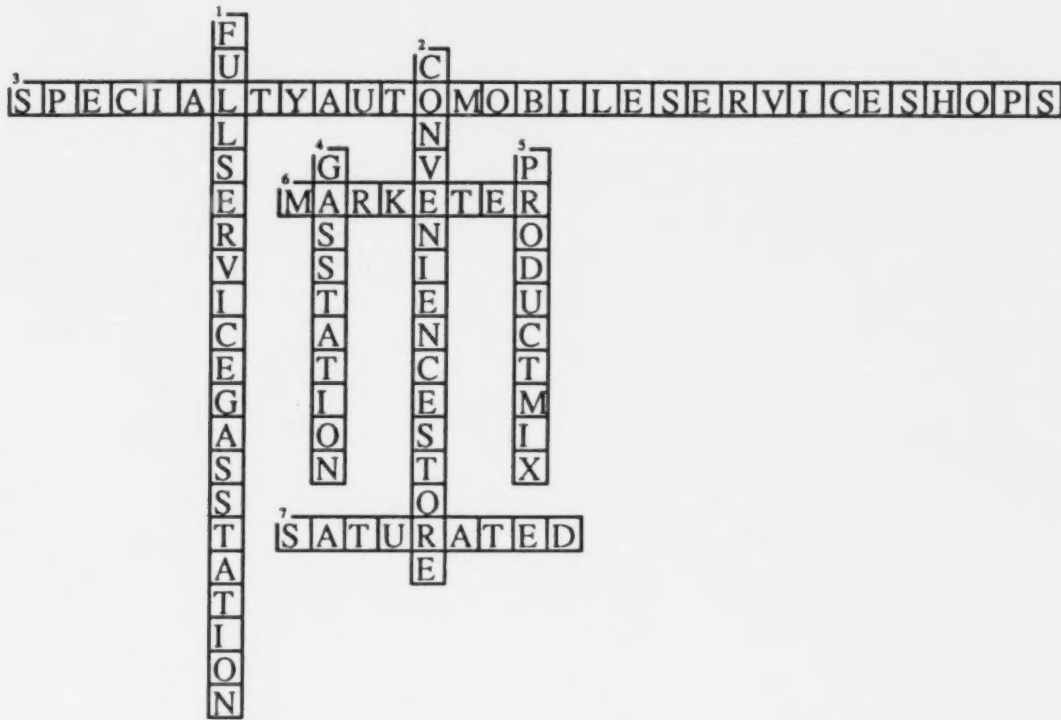
Answers to Learning Activities

NOTE

Answers for the vocabulary review crossword puzzles can be found in the following answer key. Because of the highly individualized nature of all other student learning activities included in this publication, the instructor must use his or her best judgment in evaluating them.

ASSIGNMENT 1: Industry History and Trends

Learning Activity 1: Words to Remember



ACROSS

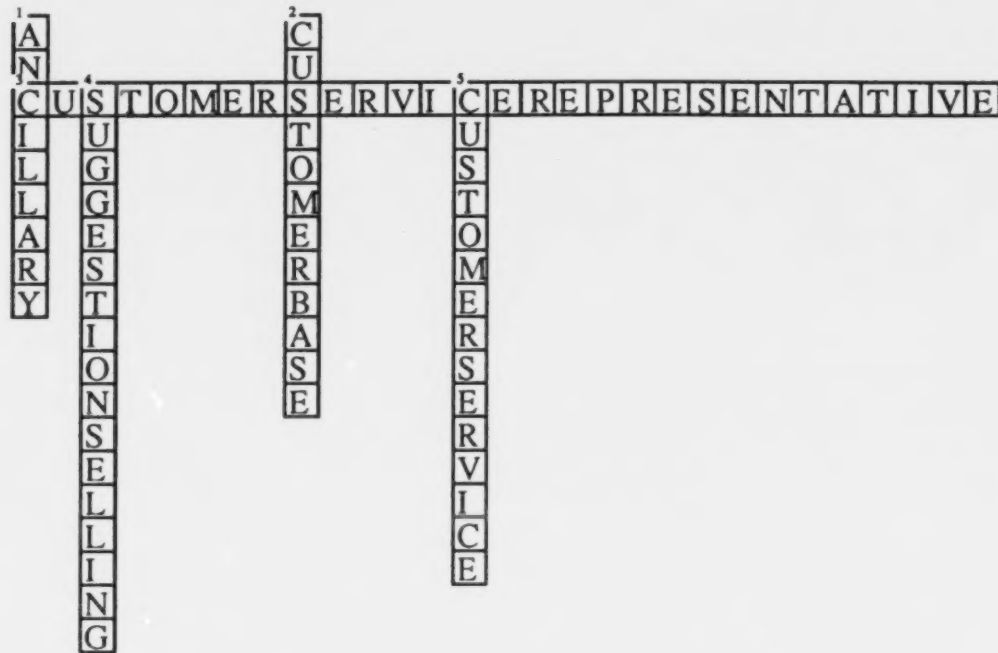
- 3. specialty automobile service shops
- 6. marketer
- 7. saturated

DOWN

- 1. full-service gas station
- 2. convenience store
- 4. gas station
- 5. product mix

ASSIGNMENT 2: The Importance of Customer Service

Learning Activity 1: Words to Remember



ACROSS

3. customer service representative

DOWN

1. ancillary
2. customer base
4. suggestion selling
5. customer service

ASSIGNMENT 3: Completing Sales Transactions

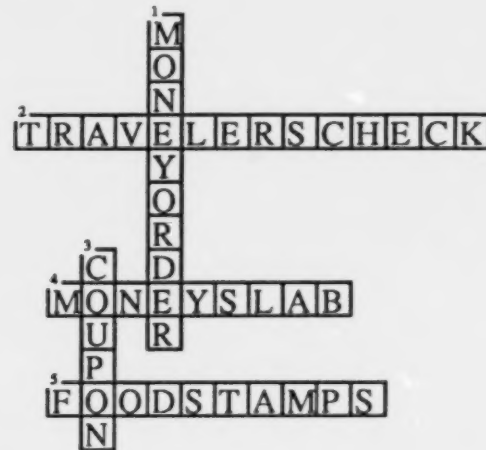
Learning Activity 1: Words to Remember

ACROSS

- 2. traveler's check
- 4. money slab
- 5. food stamps

DOWN

- 1. money order
- 3. coupon



ASSIGNMENT 4: Safety and Personal and Store Security

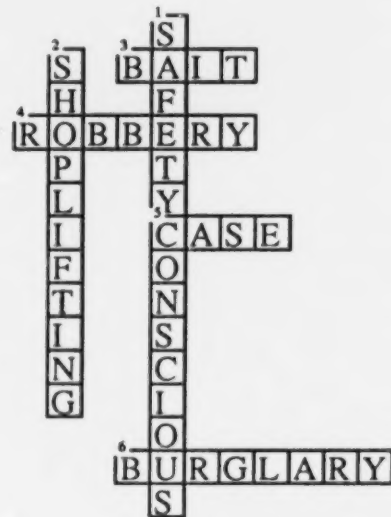
Learning Activity 1: Words to Remember

ACROSS

- 3. bait
- 4. robbery
- 5. case
- 6. burglary

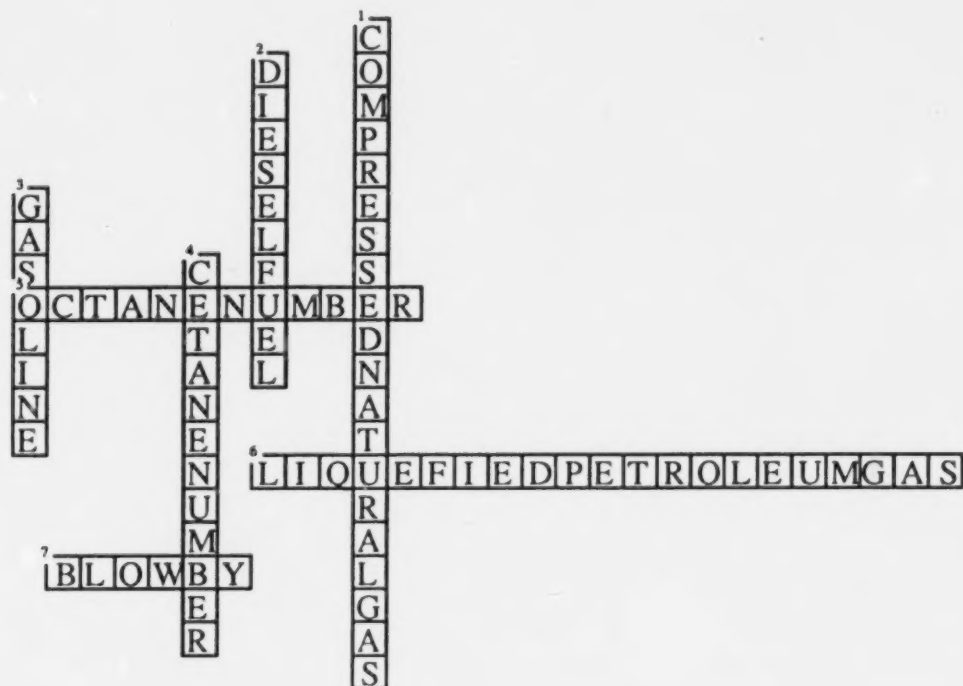
DOWN

- 1. safety conscious
- 2. shoplifting



ASSIGNMENT 5: Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas

Learning Activity 1: Words to Remember



ACROSS

5. octane number
6. liquefied petroleum gas
7. blow-by

DOWN

1. compressed natural gas
2. diesel fuel
3. gasoline
4. cetane number

ASSIGNMENT 6: Selling Motor Oils and Replacement Filters

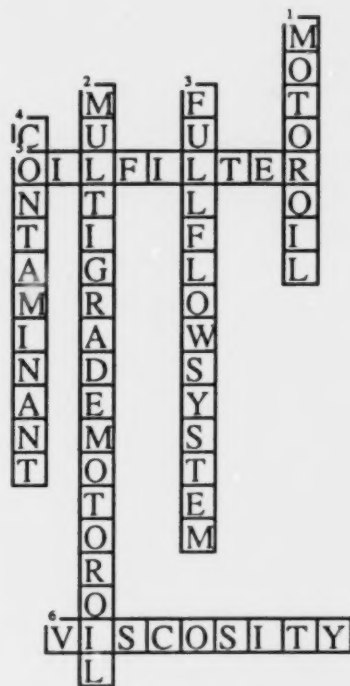
Learning Activity 1: Words to Remember

ACROSS

- 5. oil filter
- 6. viscosity

DOWN

- 1. motor oil
- 2. multigrade motor oil
- 3. full-flow system
- 4. contaminant



ASSIGNMENT 7: Selling Tires and Batteries

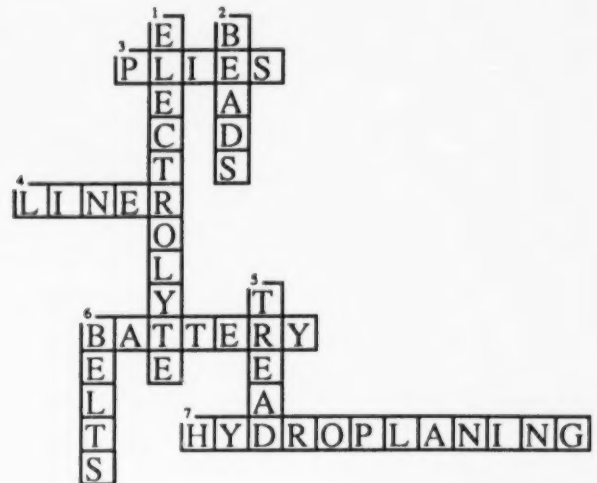
Learning Activity 1: Words to Remember

ACROSS

- 3. plies
- 4. liner
- 6. battery
- 7. hydroplaning

DOWN

- 1. electrolyte
- 2. beads
- 5. tread
- 6. belts



ASSIGNMENT 8: Selling Replacement Parts

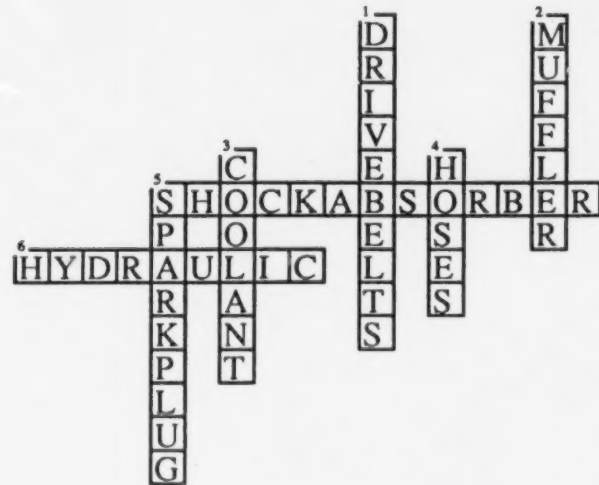
Learning Activity 1: Words to Remember

ACROSS

- 5. shock absorber
- 6. hydraulic

DOWN

- 1. drive belts
- 2. muffler
- 3. coolant
- 4. hoses
- 5. spark plug



ASSIGNMENT 9: Selling Automotive Services

Learning Activity 1: Words to Remember



ACROSS

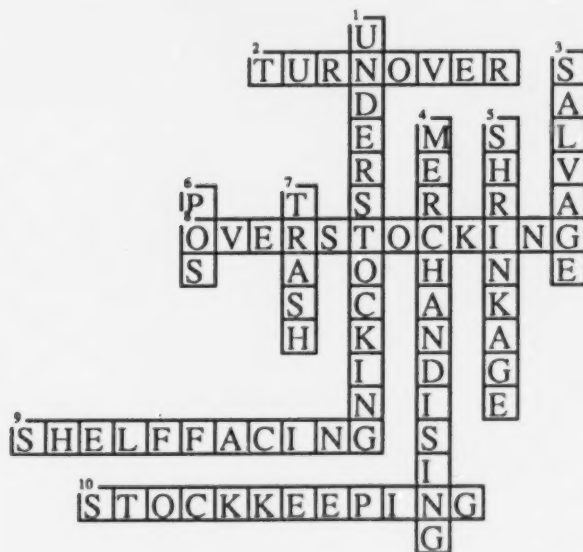
3. customer service record

DOWN

1. owner's manual
2. productivity
3. clientele
4. maintenance

ASSIGNMENT 10: Stockkeeping and Merchandising

Learning Activity 1: Words to Remember



ACROSS

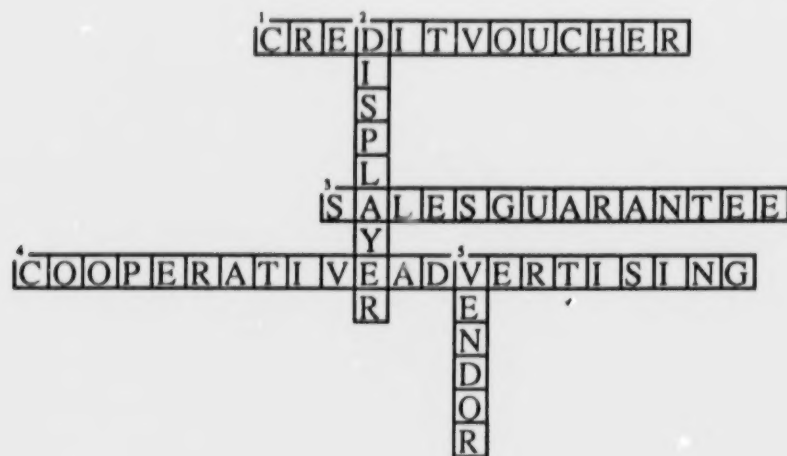
2. turnover
8. overstocking
9. shelf facing
10. stockkeeping

DOWN

1. understocking
3. salvage
4. merchandising
5. shrinkage
6. POS
7. trash

ASSIGNMENT 11: Stockkeeping and Merchandising

Learning Activity 1: Words to Remember



ACROSS

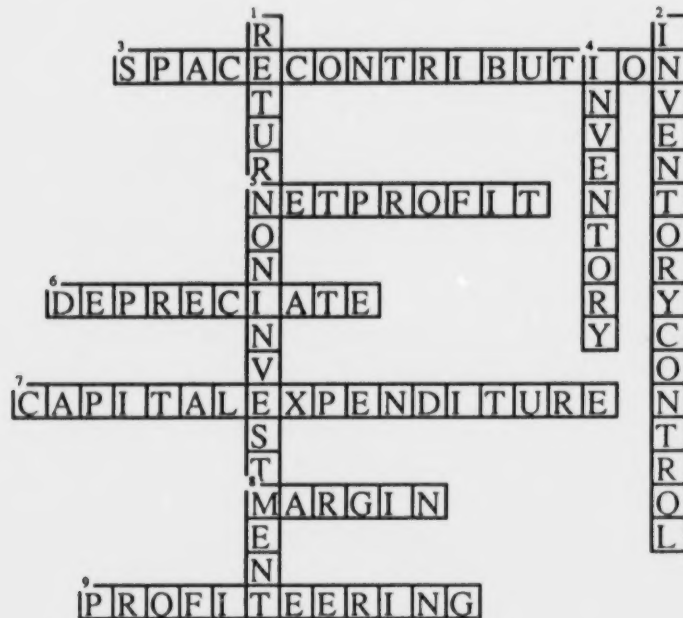
1. credit voucher
3. sales guarantee
4. cooperative advertising

DOWN

2. displayer
5. vendor

ASSIGNMENT 12: Assisting with Inventory Control

Learning Activity 1: Words to Remember



ACROSS

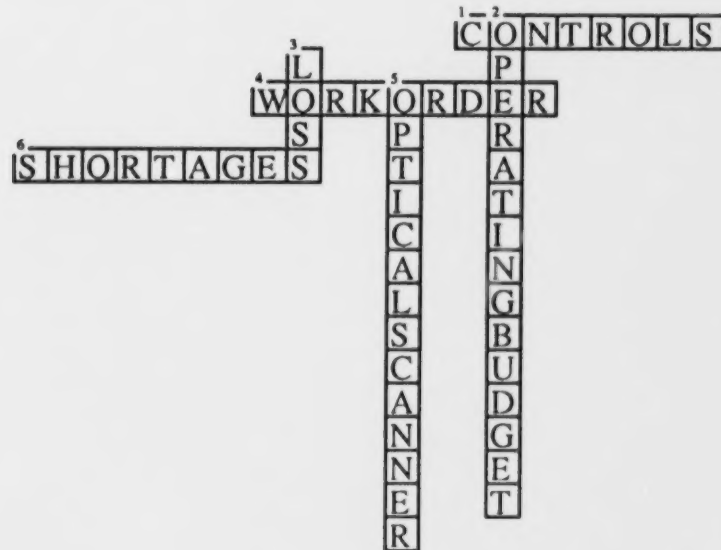
3. space contribution
5. net profit
6. depreciate
7. capital expenditure
8. margin
9. profiteering

DOWN

1. return on investment
2. inventory control
4. inventory

ASSIGNMENT 13: Controlling Losses and Shortages

Learning Activity 1: Words to Remember



ACROSS

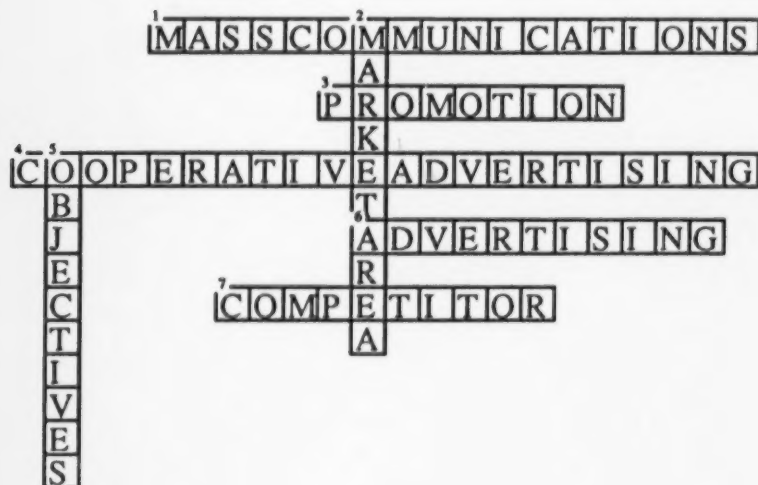
1. controls
4. work order
6. shortages

DOWN

2. operating budget
3. loss
5. optical scanner

ASSIGNMENT 14: Promoting the Business

Learning Activity 1: Words to Remember



ACROSS

1. mass communications
3. promotion
4. cooperative advertising
6. advertising
7. competitor

DOWN

2. market area
5. objectives

ASSIGNMENT 15: Getting the Job and Training

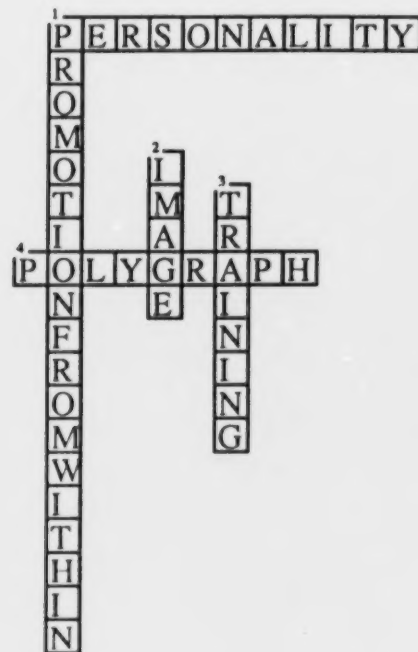
Learning Activity 1: Words to Remember

ACROSS

1. personality
4. polygraph

DOWN

1. promotion from within
2. image
3. training



ASSIGNMENT 16: Moving Toward Supervisory/Management Duties

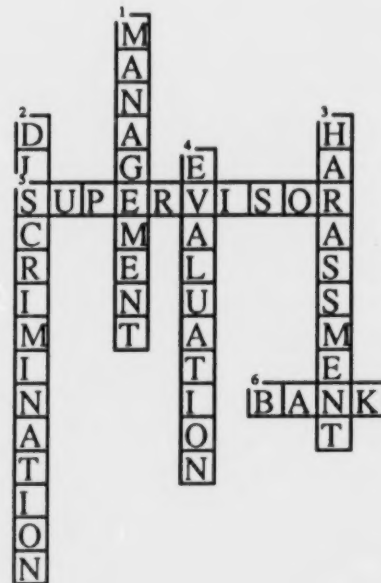
Learning Activity 1: Words to Remember

ACROSS

- 5. supervisor
- 6. bank

DOWN

- 1. management
- 2. discrimination
- 3. harassment
- 4. evaluation



Assignment Quizzes

Name _____

QUIZ for Assignment 1: Industry History and Trends

Multiple Choice (8 points each)

- _____ 1. A store that sells a wide range of petroleum products and services is called a _____.
A. convenience store
B. full-service gas station
C. specialty automotive service shop
- _____ 2. A business that markets only a few particular services, such as oil changes, tune-ups, or brake repairs, is known as a _____.
A. convenience store
B. full-service gas station
C. specialty automobile service shop
- _____ 3. A market area is _____ when it has all of the businesses it can support.
A. saturated
B. booming
C. depressed
- _____ 4. The combination of types of items and services a business sells is called its _____.
A. seasonal mix
B. merchandise line
C. product mix
- _____ 5. A small retail outlet that carries limited product lines, is self-service in nature, and is open long hours is known as a _____.
A. convenience store
B. full-service gas station
C. specialty automotive service station
- _____ 6. Which of the following are services convenience stores sell or offer free that may or may not be available in local supermarkets?
A. check cashing, video games, and money orders
B. ATMs, car wash, and lottery tickets
C. all of these and more
- _____ 7. Specialty automobile service shops benefit customers by _____.
A. getting the job done more quickly and less expensively
B. being located in the customer's neighborhood
C. causing many full-service gas stations to close
- _____ 8. More than three-quarters of gas station closings are now directly related to _____.
A. better-made cars and trucks
B. the expense of adapting to environmental regulations
C. fewer mechanics available to work

Short Answer (9 points each)

1. Why do *you* think customers might prefer a convenience store over a supermarket for buying milk or bread?

2. List *at least* 5 types of products sold in a convenience store.
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.

3. List *at least* 5 types of products and services sold in a full-service gas station.
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.

4. Give *at least* three local examples of specialty automotive service shops.
 - a.
 - b.
 - c.
 - d.

Name _____

QUIZ for Assignment 2: The Importance of Customer Service

Multiple Choice (8 points each)

- _____ 1. The group of people who regularly shop in a particular store is called its _____.
A. customer base
B. customer service representative
C. ancillary products
- _____ 2. The items or services offered at a store that are secondary, but related, to its primary function are known as _____.
A. customer base
B. customer service representative
C. ancillary products
- _____ 3. A technique used to increase the original sale by reminding customers of items they may have overlooked or not seen is _____.
A. suggestion selling
B. closing the sale
C. competitive advantage
- _____ 4. Whatever position you hold in a company, you should always consider yourself first and foremost a (an) _____.
A. salesperson
B. customer service representative
C. employee
- _____ 5. A good way to build a strong customer clientele at a convenience store is to _____.
A. learn people's names quickly
B. use people's names on every occasion
C. both A and B
- _____ 6. Asking a customer at the checkout stand, "Will this be all for you today?" is a good example of suggestion selling.
A. True—A reminder is all most customers want or need.
B. False—A specific, appropriate item should be suggested to the customer.
C. True—Customers don't appreciate employees making suggestions for related purchases.
- _____ 7. When store employees answer questions, solve problems, or give advice, they are _____.
A. providing customer service
B. using suggestion selling
C. impressing the boss
- _____ 8. Companies welcome suggestions from employees because _____.
A. they usually don't contribute to the business
B. they promote them faster to managers
C. it is the employees who deal with customers firsthand and know their wants and needs

Short Answer (9 points each)

1. How can you provide good customer service without even personally dealing with customers?
2. Describe the customer base for your training station or for the petroleum marketer of your choice.
3. Using the situation of your choice, describe suggestion selling.
4. Why is making a sale in a full-service gas station relatively easy?

Name _____

QUIZ for Assignment 3: Completing Sales Transactions

Multiple Choice (8 points each)

- _____ 1. The plastic or metal plate just above the change drawer on a cash register is called the _____.
A. register thing
B. money order
C. money slab
- _____ 2. A checklike document that indicates that a definite sum of money is guaranteed by a reliable company is known as a _____.
A. money order
B. food stamp
C. coupon
- _____ 3. Couponlike documents issued by the federal government to eligible low-income persons to use for food purchases are called _____.
A. traveler's checks
B. food stamps
C. money orders
- _____ 4. If a customer from Oregon is on vacation in Texas, he or she might use _____ for purchases, rather than carry large sums of cash.
A. traveler's checks
B. food stamps
C. money orders
- _____ 5. Many manufacturers offer _____ to encourage the customer to purchase their products at a reduced price.
A. food stamps
B. coupons
C. free advertising
- _____ 6. When the customer is to receive change when paying for the purchase, you should _____.
A. count the change back to the customer
B. always remember to give the customer a receipt
C. both A and B
- _____ 7. Coupons are beneficial to the store because _____.
A. they make a great deal of money for handling them
B. they entice customers to purchase items they would normally not buy
C. they can be used like cash to pay employees
- _____ 8. Which of the following are part of the checkout operation?
A. taking money and giving change
B. greeting the customer and bagging orders
C. both A and B

Short Answer (9 points each)

1. Sketch a "cents-off" coupon, identifying the things to look for when accepting coupons from customers.
2. Why do *you* think greeting the customer in a sincere, friendly manner is important?
3. List *at least* three ways customers can pay for products or services.
 - a.
 - b.
 - c.
 - d.
4. What kinds of items cannot be purchased with food stamps, and why do *you* think they are ineligible items?

Name _____

QUIZ for Assignment 4: Safety and Personal and Store Security

Multiple Choice (8 points each)

- _____ 1. The taking of merchandise by a customer or nonemployee is known as _____.
A. burglary
B. shoplifting
C. bait
- _____ 2. The act of visually inspecting a business to see if it is a likely target for a break-in or robbery during business hours is called _____.
A. casing the place
B. safety-consciousness
C. bait money
- _____ 3. The taking of money, merchandise, or property from a person by force or threat of physical violence is known as _____.
A. burglary
B. shoplifting
C. robbery
- _____ 4. If you have an ongoing awareness of safety guidelines and constantly practice those guidelines, you are _____.
A. casing the place
B. safety-conscious
C. bait
- _____ 5. A person who steals money, merchandise, or property from a store after breaking and entering has committed _____.
A. burglary
B. shoplifting
C. robbery
- _____ 6. As an employee, you have the responsibility for knowing _____.
A. the emergency procedures to follow in case of danger or accident
B. the location of fire extinguishers and first-aid kits, and how to use them
C. both A and B and more
- _____ 7. Technically, a person hasn't stolen anything until he or she _____.
A. is outside the store
B. puts the item out of sight
C. refuses to pay for the item
- _____ 8. By greeting each person who enters the store, you are _____.
A. providing good customer service
B. deterring shoplifting
C. both A and B

Short Answer (9 points each)

1. Why should employees in the petroleum marketing business be safety-conscious?
2. List *at least* three things a robber or burglar looks for when "casing" a particular store.
 - a.
 - b.
 - c.
 - d.
3. What precautions should an employee take during a robbery?
4. List *at least* three safety guidelines to observe in the pump island area.
 - a.
 - b.
 - c.
 - d.

Name _____

**QUIZ for Assignment 5: Learning about Gasoline, Diesel Fuels,
and Liquefied Petroleum Gas**

Multiple Choice (8 points each)

- _____ 1. A rating that expresses the starting capacity of diesel fuels is known as its _____.
A. octane number
B. blow-by
C. cetane number
- _____ 2. A motor fuel that is thicker and heavier than gasoline is _____.
A. diesel fuel
B. liquefied petroleum gas
C. compressed natural gas
- _____ 3. The dilution of lubricants caused by the leakage of a rich gasoline-air mixture into the crankcase of a gasoline powered engine is called _____.
A. diesel fuel
B. blow-by
C. its cetane number
- _____ 4. A rating that expresses the antiknock quality of a motor fuel is its _____.
A. octane number
B. blow-by
C. cetane number
- _____ 5. A cheaper, cleaner-burning fuel than gasoline is _____.
A. diesel fuel
B. liquefied petroleum gas
C. compressed natural gas
- _____ 6. The product derived from crude oil that is used as a fuel in most automobiles is _____.
A. compressed natural gas
B. gasoline
C. diesel fuel
- _____ 7. Gasoline is a good choice for a motor fuel because it _____.
A. vaporizes quickly to create rapid burning
B. is an extremely economical energy source
C. both A and B and more
- _____ 8. Dye is a common gasoline additive because _____.
A. coloring the gasoline helps identify it
B. raw gasoline is a vibrant blue
C. it retards rust

Short Answer (9 points each)

1. Why are consumers using liquefied petroleum gas as a fuel alternative to gasoline?

2. How are diesel engines and diesel fuels different from gasoline engines and fuels?

3. What are common misconceptions about octane ratings?

4. List and describe the uses of *at least* three gasoline additives.
 - a.
 - b.
 - c.
 - d.

Name _____

QUIZ for Assignment 6: Selling Motor Oils and Replacement Filters

Multiple Choice (8 points each)

- _____ 1. An undesirable element that soils, stains, corrupts, or infects another element or a system is _____.
A. viscosity
B. multigrade motor oil
C. a contaminant
- _____ 2. The ability to remain stable under heat and pressure is known as _____.
A. viscosity
B. multigrade motor oil
C. a contaminant
- _____ 3. A device that screens out contaminants from automobile oil is called a (an) _____.
A. full-flow system
B. motor oil
C. oil filter
- _____ 4. A product made from crude oil used to lubricate, seal, protect, and cool an automobile's engine is known as a (an) _____.
A. full-flow system
B. motor oil
C. oil filter
- _____ 5. If it performs well under a variety of temperatures, your car uses _____.
A. viscosity
B. multigrade oil
C. a contaminant
- _____ 6. Almost all of today's cars circulate oil using the _____, which filters the oil each time the oil circulates.
A. full-flow system
B. motor oil
C. oil filter
- _____ 7. Customers need to change the oil filter with each oil change because _____.
A. you circulate the dirty oil retained in the old filters
B. a filter only lasts so long and it's inexpensive
C. both A and B
- _____ 8. The _____ symbol appears on all oils that meet only the most current standards.
A. doughnut
B. starburst
C. triangle

Short Answer (9 points each)

1. List *at least* three things all motor oils must do.
 - a.
 - b.
 - c.
 - d.
2. When an automobile doesn't work at its full capacity, what happens to the engine?
3. Who are potential customers for motor oil or an oil change?
4. Thought question: How does your customer benefit from your knowledge about motor oils and automobile service?

Name _____

QUIZ for Assignment 7: Selling Tires and Batteries

Multiple Choice (8 points each)

- _____ 1. A dangerous condition in which the tire actually floats on water instead of making contact with the road is _____.
A. electrolytes
B. beads
C. hydroplaning
- _____ 2. Strands of high-tensile strength steel wire molded into a tire's body that hold a tire tightly to the rim are called _____.
A. plies
B. beads
C. belts
- _____ 3. Rubber-impregnated fabric layered on top of one another in the body of the tire that give strength to flex and help prevent sidewall damage are _____.
A. plies
B. beads
C. belts
- _____ 4. A _____ stores chemical energy that is converted to electricity used to turn over the engine and operate a car's electrical systems until the alternator takes over.
A. liner
B. battery
C. tread
- _____ 5. The part of the tire that makes direct contact with the road is known as the _____.
A. liner
B. battery
C. tread
- _____ 6. The acid-water solution that circulates in the battery to turn chemical energy into electrical current is _____.
A. hydroplaning
B. electrolyte
C. the battery
- _____ 7. Which of the following is a symptom of a faulty battery?
A. Fuses last for years.
B. Engine is easy to start.
C. Lights dim if the engine is idling.
- _____ 8. The automobile _____ takes more stress and strain than any other part.
A. tire
B. battery
C. engine

Short Answer (9 points each)

1. What does the battery do?

2. Describe the function of automobile tires.

3. List *at least* two symptoms of faulty tires.
 - a.
 - b.
 - c.
 - d.

4. Why do *you* think customers don't realize they need a new tire?

Name _____

QUIZ for Assignment 8: Selling Replacement Parts

Multiple Choice (8 points each)

- _____ 1. The automobile accessory that reduces engine noise is known as a _____.
A. muffler
B. shock absorber
C. drive belt
- _____ 2. Dependable connections from the water pump, generator, air-conditioning compressor, and power steering/brake pump to the engine are called _____.
A. mufflers
B. shock absorbers
C. drive belts
- _____ 3. A water-antifreeze mixture that circulates through the radiator is _____.
A. hydraulic fluid
B. coolant
C. gasoline
- _____ 4. A connection that circulates fluids in the engine is called a _____.
A. drive belt
B. spark plug
C. hose
- _____ 5. A _____ dampens the up-and-down movement of the car's wheels on rough roads.
A. shock absorber
B. spark plug
C. muffler
- _____ 6. A small item with no moving parts that ignites the gasoline-air mixture in the engine's combustion chamber is the _____.
A. shock absorber
B. spark plug
C. muffler
- _____ 7. When servicing wiper blades, look for _____.
A. smearing or scratching
B. blade distortion or deterioration
C. both A and B
- _____ 8. Before suggesting that a customer buy a replacement bulb for a burnt-out light, first check the _____.
A. fuse
B. drive belt
C. spark plug

Short Answer (9 points each)

1. List two symptoms of faulty shock absorbers.
 - a.
 - b.
2. Describe the function of lights and electrical accessories.
3. List two symptoms of faulty hoses and drive belts.
 - a.
 - b.
4. Describe the function of the muffler and exhaust system.

Name _____

QUIZ for Assignment 9: Selling Automotive Services

Multiple Choice (8 points each)

- _____ 1. A booklet that comes with a new car that gives specific details on maintenance and warranty is the _____.
A. customer service record
B. owner's manual
C. clientele
- _____ 2. A group of satisfied, repeat customers is known as the _____.
A. customer service record
B. owner's manual
C. clientele
- _____ 3. The amount of work done in relation to the labor and capital invested is called _____.
A. productivity
B. maintenance
C. clientele
- _____ 4. The regular and routine upkeep of an automobile is known as _____.
A. productivity
B. maintenance
C. warranty
- _____ 5. Customers can be notified for recommended services if a business uses a _____.
A. customer service record
B. owner's manual
C. clientele
- _____ 6. Services should be sold to customers because _____.
A. they are vital to the vehicle's performance and trouble-free operation
B. they are more profitable than selling products
C. both A and B
- _____ 7. When a car is brought in for gasoline or a simple oil change, you should _____.
A. perform a casual inspection
B. do a complete inspection of all systems
C. maintain service records
- _____ 8. A customer service record includes _____.
A. customer information across the top
B. maintenance and service work performed
C. both A and B

Short Answer (9 points each)

1. List *at least* two systems that should be checked during a casual inspection.
 - a.
 - b.
 - c.
 - d.
2. Why is it recommended that a small business owner invest in a computer system for recordkeeping?
3. Thought question: Of the three methods used to find and recommend needed services to the customer, which do *you* think is best, *and why*?
4. List *at least* two systems that need regular inspection.
 - a.
 - b.
 - c.
 - d.

Name _____

QUIZ for Assignment 10: Stockkeeping and Merchandising

Multiple Choice (8 points each)

- _____ 1. A condition of ordering more merchandise than can be expected to sell before the next shipment arrives is called _____.
A. understock
B. merchandising
C. overstock
- _____ 2. Any food item that can be reused and sold or has some value is known as _____.
A. trash
B. salvage
C. turnover
- _____ 3. A condition of ordering insufficient quantities to meet expected sales demand until the next shipment arrives is called _____.
A. understock
B. merchandising
C. overstock
- _____ 4. Losses that occur from stock that is neither reported nor recorded for accounting purposes are known as _____.
A. shelf-facing
B. shrinkage
C. turnover
- _____ 5. The number of times an item is bought, sold, and replenished during a certain period of time is called _____.
A. shelf-facing
B. shrinkage
C. turnover
- _____ 6. Products that have no value or are spoiled or damaged so that they are no longer usable and should be discarded are _____.
A. trash
B. salvage
C. turnover
- _____ 7. Inventory is a sizable dollar investment because _____.
A. if it doesn't sell, you are wasting money
B. if you have too little on the shelves, you are losing sales
C. both A and B
- _____ 8. If the front row of merchandise is three cans wide and three cans high, it has a _____ of nine.
A. shelf-facing
B. shrinkage
C. turnover

Short Answer (9 points each)

1. List *at least* three benefits of having an adequate inventory.
 - a.
 - b.
 - c.
 - d.
2. Thought question: Which do *you* think is worse—overstock or understock—and *why*?
3. What is the purpose of a stock list?
4. Define *merchandising*, as used in this assignment.

Name _____

QUIZ for Assignment 11: Working with Vendors

Multiple Choice (8 points each)

- _____ 1. Another name for a supplier or distributor who sells and delivers goods to your store is _____.
A. displayer
B. retailer
C. vendor
- _____ 2. An agreement between supplier and management that any damaged, returned, or outdated goods will be picked up and credited or replaced is called a _____.
A. sales guarantee
B. credit voucher
C. cooperative advertising
- _____ 3. Any freestanding, specially constructed unit for holding merchandise is a _____.
A. displayer
B. retailer
C. vendor
- _____ 4. A receipt that deducts an amount from the store's bill for returned merchandise is known as a _____.
A. sales guarantee
B. credit voucher
C. cooperative advertising
- _____ 5. Vendors can _____.
A. deliver and stock their goods
B. rotate and replace their goods as needed
C. both A and B
- _____ 6. Vendor-supplied merchandise and services are most important to the profitable operation of _____.
A. convenience stores
B. gas stations
C. automotive specialty service shops
- _____ 7. Which of the following items are usually vendor supplied?
A. soft drinks, snack foods, and beer
B. bread, cookies, and dairy products
C. both A and B
- _____ 8. When specific products or brand names are prominently mentioned, the company or manufacturer uses _____ to share the costs with the local store.
A. credit vouchers
B. cooperative advertising
C. sales guarantee

Short Answer (9 points each)

1. Thought question: Of all the vendor-supplied merchandising services mentioned in this assignment, which one do *you* think is most valuable to the convenience store, *and why*?

2. List *at least* two obligations the store employee has to the vendor.
 - a.
 - b.
 - c.

3. Why do *you* think the vendor should not park in front of the business when supplying products and services?

4. Why do *you* think the C-store should develop and maintain good working relationships with soft drink vendors?

Name _____

QUIZ for Assignment 12: Assisting with Inventory Control

Multiple Choice (8 points each)

- _____ 1. The amount added onto the cost price to get the selling, or retail, price is called _____.
A. margin
B. net profit
C. return on investment
- _____ 2. The amount of money that goes back to the business owner is known as _____.
A. margin
B. profiteering
C. return on investment
- _____ 3. The purchase of a new refrigerated soft drink unit or a computerized cash register is a (an) _____.
A. space contribution
B. capital expenditure
C. inventory control
- _____ 4. When you take the amount of sales and subtract your costs and expenses, you have the _____ left.
A. margin
B. net profit
C. inventory
- _____ 5. The amount of margin an item must provide to the business, based on the square feet of selling area it occupies, is called _____.
A. space contribution
B. capital expenditure
C. inventory control
- _____ 6. When inventory sits on the shelf and doesn't sell, _____.
A. it is just like money buried in a can
B. it is not earning anything for the business
C. both A and B
- _____ 7. The methods used by a business to regulate the ordering and on-hand amounts of merchandise to avoid being overstocked is called _____.
A. profiteering
B. inventory control
C. return on investment
- _____ 8. A business owner earns money on an investment in a retail store by _____.
A. selling stock over and over again
B. charging higher prices
C. changing to new products regularly

Short Answer (9 points each)

1. Thought question: Why should *you*, as an employee, be concerned with inventory control and profits?

2. Which is better—a stock turnover of 3.5 or a stock turnover of 4.7—and why?

3. If the store owner wants to improve an item's turnover rate, what can be done?

4. What are *at least* three things you can do in assisting with inventory control?
 - a.
 - b.
 - c.
 - d.

Name _____

QUIZ for Assignment 13: Controlling Losses and Shortages

Multiple Choice (8 points each)

- _____ 1. A condition in which costs and expenses exceed income is known as _____.
A. controls
B. a work order
C. loss
- _____ 2. The management system used to account for all money and merchandise transactions is called _____.
A. controls
B. a work order
C. loss
- _____ 3. A financial plan that estimates how much a business will generate in revenue and expenses over a specified period is a (an) _____.
A. optical scanner
B. operating budget
C. shortage
- _____ 4. An optional feature of electronic cash registers which reads bar codes is called a (an) _____.
A. optical scanner
B. operating budget
C. shortage
- _____ 5. Most businesses fail because of _____.
A. insufficient capital
B. poor management
C. a lack of customers
- _____ 6. Losses come from the _____ part of the operating budget.
A. revenue
B. expenses
C. net profit
- _____ 7. Assuming that you had a net profit of 10 percent and a loss of \$450, how much would you have to sell to make up for that loss?
A. \$6,000
B. \$4,500
C. \$450
- _____ 8. How can most losses and shortages be prevented?
A. by hiring and training good employees
B. by having a tight system of controls
C. both A and B

Short Answer (9 points each)

1. When interviewing applicants for employment, what are *at least* two things a manager should look for?
 - a.
 - b.
 - c.
 - d.
2. Thought question: Which do *you* think is most important—tight controls on money or tight controls on merchandise—and *why*?
3. List *at least* two reasons a business can go broke.
 - a. c.
 - b. d.
4. What are work orders, and why are they important to a business?

Name _____

QUIZ for Assignment 14: Promoting the Business

Multiple Choice (8 points each)

- _____ 1. The distance around your store from which you can reasonably expect demand for your products and services is _____.
A. promotion
B. your market area
C. competition
- _____ 2. Another business selling similar products and services to your customers and potential customers is _____.
A. promotion
B. your market area
C. competition
- _____ 3. Calling the attention of the public to a store by means of newspapers, television commercials, radio spots, or other forms of mass media defines _____.
A. advertising
B. objectives
C. promotion
- _____ 4. Methods of getting the same message to large numbers of people is _____.
A. competition
B. mass communications
C. cooperative advertising
- _____ 5. The aims or goals that enable the end result of a strategy or campaign to be met are called _____.
A. advertising
B. objectives
C. promotion
- _____ 6. If a gasoline supplier shares the cost of radio spots, the local convenience store selling that brand of gasoline uses _____.
A. competition
B. mass communications
C. cooperative advertising
- _____ 7. To find new customers for your business, you should _____.
A. define your market area and find out how many potential customers there are
B. decide how to contact your potential customers and bring them to your business
C. both A and B
- _____ 8. Before planning any kind of promotion strategy, you must first _____.
A. decide how much money will be spent
B. set your objectives
C. sketch your ideas for advertisements

Short Answer (9 points each)

1. List *at least* three forms of promotion.
 - a.
 - b.
 - c.
 - d.
2. Why should the business owner or manager have promotion of new business as a constant objective?
3. Why is setting the promotion budget an important step?
4. In your own words, explain how cooperative advertising is a win-win situation for the business and the supplier or other business.

Name _____

QUIZ for Assignment 15: Getting the Job and Training

Multiple Choice (8 points each)

- _____ 1. Store managers look for a person's _____ in prospective employees.
A. intelligence
B. appearance and personality
C. both A and B
- _____ 2. The popular conception the public has about a particular business is known as _____.
A. image
B. training
C. personality
- _____ 3. A systematic approach used to teach or make one prepared through personal involvement with the process or the job tasks is called _____.
A. image
B. training
C. personality
- _____ 4. When looking at an applicant's personal appearance, employers consider _____.
A. cleanliness and good grooming
B. a tasteful haircut
C. both A and B
- _____ 5. A lie detector test, or _____, is useful where legal, but it is not foolproof.
A. promotion-form-within
B. polygraph
C. image
- _____ 6. In small store operations, most training is given _____.
A. on the job
B. by training manuals
C. in classrooms
- _____ 7. When a full-time clerk is moved up to shift manager, the business has carried out _____.
A. training
B. promotion from within
C. retraining
- _____ 8. The better you present yourself from the beginning of your new job, the more likely you are to be considered for _____.
A. additional responsibility
B. advancement
C. both A and B

Short Answer (9 points each)

1. How can employers check up on and learn about applicants?

2. If you were the owner of a single, neighborhood convenience store, what would your training program be like?

3. If you were the manager of a large automotive specialty service shop, like Jiffy Lube or Brake-Check, what would your training program be like?

4. For someone wanting to eventually own his or her own business, which do you think is the best preparation—to work in a small or a large operation—*and why?*

Name _____

QUIZ for Assignment 16: Moving Toward Supervisory/Management Duties

Multiple Choice (8 points each)

- _____ 1. The group of employees who determine and direct the work of others in order to reach goals or objectives is called _____.
A. management
B. supervisors
C. discriminators
- _____ 2. When an individual repeatedly makes remarks or physical contacts designed to torment another, _____ has occurred.
A. discrimination
B. harassment
C. management
- _____ 3. In a large business operation, you may have more than one _____ who sees that the stores policies and procedures are carried out by other employees.
A. cashier
B. receiving clerk
C. supervisor
- _____ 4. The management activity known as _____ involves recruiting, assigning, training, and promoting employees.
A. planning
B. staffing
C. controlling
- _____ 5. The management activity known as _____ involves setting standards, measuring performance, and making corrections.
A. planning
B. staffing
C. controlling
- _____ 6. A (an) _____ customer is pleasant in *what* is said but less pleasant in *how* it is said.
A. emotional
B. sarcastic
C. superior
- _____ 7. A (an) _____ customer is upset, which may have nothing to do with you or the store.
A. emotional
B. sarcastic
C. superior
- _____ 8. The differences in treatment made on a basis other than individual merit (usually race, sex, religion, or ethnic background) are called _____.
A. discrimination
B. harassment
C. employee evaluation

Short Answer (9 points each)

1. When do *you* think a supervisor should discuss an employee's poor work habits, *and why*?

2. What should you remember when handling customer problems or complaints?

3. Thought question: Of the employee motivators listed in the assignment, or others you know of, which one would encourage *you* to be more productive at work, *and why*?

4. Why are employee performance evaluations conducted?

**Answers to
Assignment Quizzes**

Assignment 1: Industry History and Trends

1. B
2. C

3. A
4. C

5. A
6. C

7. A
8. B

1. Use your judgment in evaluating this response, which will probably include one or more of the following reasons:
 - located close to home
 - open 24 hours
 - ATM is available
 - no long check-out lines
 - located close to work
 - has a drive-up window
2. Use your judgment in evaluating this response, which should include some or all of the following:
 - gasoline
 - fast food
 - candy and gum
 - milk and milk products
 - tobacco products
 - soft drinks
 - salty snacks
 - bread and cakes
 - beer
 - groceries
 - publications
3. Use your judgment in evaluating this response, which should include some or all of the following:
 - gasoline
 - fix flats
 - change oil
 - replace filters, hoses, & belts
 - state inspections
 - other fuels
 - charge batteries
 - minor repairs
 - wash and wax cars
4. Use your judgment in evaluating this response. Possible businesses include:
 - Jiffy Lube
 - Meineke Muffler
 - Tune-up Masters
 - Precision Tune
 - Quick Lube
 - Brake Check
 - Midas Mufflers

Assignment 2: The Importance of Customer Service

1. A
2. C

3. A
4. B

5. C
6. B

7. A
8. C

1. Keeping the floors clean and dry is providing good customer service, as is keeping the store's shelves stocked with the customers' most-needed products. Keeping the parking lot well-lit at night to make the customers feel safe is another example.
2. Use your judgment in evaluating this response, which should include whether their customers are family members, single people living alone, commuters, and other characteristics.
3. Use your judgment in evaluating this response, which should include a specific suggestion that is appropriate to the original purchase.
4. Many customers don't know what their car needs (or when), so they depend on you to recommend basic automotive services and products.

Assignment 3: Completing Sales Transactions

1. C
2. A

3. B
4. A

5. B
6. C

7. B
8. C

1. Use your judgment (be lenient with the student's artistic capabilities) in evaluating this response, which should identify the following components:
 - the coupon's expiration date
 - the exact amount of price reduction
 - the size and brand name of the product
2. According to the student manual, greeting the customer in a sincere, friendly manner is important in any business because it leaves the customer with a positive impression of the establishment, increasing the likelihood that he or she will shop there again. It also gives the employee a chance to do some suggestion selling.
3. Customers can pay for products or services:
 - with cash
 - by credit card
 - by traveler's check
 - with coupons (in combination with one of the above)
 - by check
 - with a money order
 - with food stamps
4. Use your judgment in evaluating the student's response, which should mention that alcohol, tobacco, and pet foods are ineligible.

Assignment 4: Safety and Personal and Store Security

1. B
2. A

3. C
4. B

5. A
6. C

7. A
8. C

1. Employees in the petroleum marketing business should be safety-conscious because this business is full of hazards due to the nature of the materials, tools, and equipment used.
2. When "casing" a store, a burglar or robber looks for:
 - a safe, cash register, and large sums of money that may be left out or unlocked
 - cash registers that are kept relatively full of cash
 - bank deposits that are made on regular schedules
 - property that is small and easily disposed of for money
 - poor lighting inside and out
 - no evidence of any alarm system
3. During a robbery, an employee should:
 - obey the robber's commands quickly and cooperatively
 - not do anything to slow down or excite the robber
 - make yourself observe everything you can about the robber's person
 - call the police immediately after the robber leaves
 - jot down your observations

4. Safety guidelines for the pump island area include:

- Always observe the "no smoking" rule.
- See that all pump hoses are safely out of the way when not in use.
- Remove any tools, equipment, or other objects from the driveway or pump island area that could trip or injure either employees or customers.
- Be sure that the pump island area is well lighted.
- Report immediately any damaged or inoperable equipment.
- Put gasoline only into approved containers or fuel tanks of vehicles.

Assignment 5: Learning about Gasolines, Diesel Fuels, and Liquefied Petroleum Gas

1. C
2. A

3. B
4. A

5. C
6. B

7. C
8. A

1. Consumers are using liquefied petroleum gas because it:

- is very efficient and causes little pollution
- burns cleanly, leaving little residue that can damage the engine
- doesn't dilute lubricants
- has a high octane rating

2. A diesel engine differs from a gasoline engine only in the fuel used and the combustion strictly by compression and heat. Diesel fuel is less expensive than gasoline and often provides better gas mileage.

3. Many people think that the higher the octane, the better the quality, but the octane rating refers only to antiknock quality. Another common misconception is that higher octane gasolines are more powerful.

4. Some common additives and their uses are:

- tetraethyl lead—antiknock
- deposit modifier—retards deposits and buildup
- antioxidant—combats gum or varnish formation
- copper-fighting agent—deactivates copper particles
- antirust agent—retards rust
- anti-icing agent—an antifreeze for the carburetor and fuel lines
- detergent—cleans moving parts
- upper cylinder lubricant—helps prevent ring and valve sticking
- dye—colors the gasoline to identify it

Assignment 6: Selling Motor Oils and Replacement Filters

1. C
2. A

3. C
4. B

5. B
6. A

7. C
8. B

1. All motor oils must:

- provide easy starting
- lubricate
- protect
- clean
- seal
- cool

2. When an automobile doesn't work at full capacity, the engine never reaches its maximum horsepower output and seldom gets to the proper operating temperature. Because the engine never gets very hot, the oil remains sluggish, and some parts may not get enough lubrication. Sooty residue and exhaust results form the carburetor using a rich mixture.
3. Every person who owns, leases, rents, or drives an automobile needs motor oil, and all motor oil must be changed at one time or another.
4. Every product mentioned in this assignment is absolutely essential to the efficient operation and maintenance of the automobile. You are not selling luxuries or suggesting items that can be done without. You are selling service, and you are doing a customer a favor by calling his or her attention to a real need.

Assignment 7: Selling Tires and Batteries

- | | | | |
|------|------|------|------|
| 1. C | 3. A | 5. C | 7. C |
| 2. B | 4. B | 6. B | 8. A |

1. The battery's function is to provide electrical energy to turn the engine over when started and to operate the car's electrical accessories until the alternator or generator kicks in.
2. The tire's function is to travel over often bumpy roads and evenly distribute the weight of the automobile as it runs along the road.
3. Symptoms of faulty tires include:
 - uncovered wear indicators
 - uneven tread wear
 - shoulder and tread separation
 - a flat tire with severe cuts, bruises, or cracks on the inside that can't be repaired
4. Use your judgment in evaluating this response.

Assignment 8: Selling Replacement Parts

- | | | | |
|------|------|------|------|
| 1. A | 3. B | 5. A | 7. C |
| 2. C | 4. C | 6. B | 8. A |

1. Symptoms of faulty shock absorbers are:
 - an overly bumpy ride
 - a tendency to sway heavily on curves
2. The function of lights and electrical accessories is manifold, but it includes the operation of headlights and tail lights (which are necessary to operate an automobile safely).
3. Symptoms of faulty hoses and drive belts include:
 - a squeaking noise from the turning of the drive belts
 - signs of leakage from hoses

4. The function of the muffler and exhaust system is to quiet the engine and deliver exhaust from the engine to the rear of the car, where it is let out into the atmosphere.

Assignment 9: Selling Automotive Services

- | | | | |
|------|------|------|------|
| 1. B | 3. A | 5. A | 7. A |
| 2. C | 4. B | 6. C | 8. C |

1. Systems that should be checked during a casual inspection include:
 - the oil
 - the windshield wiper fluid level
 - the level of the brake fluid
 - the engine belts
 - the radiator fluid level
 - the level of the automatic transmission fluid
 - the tire pressure and tread wear
 - the battery
2. A good computer system can greatly increase productivity, significantly lower labor costs, and aid in accurate recordkeeping. The savings will soon outweigh the initial cost of the system.
3. Use your judgment in evaluating this response, which should relate to one or more of the following methods—the casual inspection, the complete inspection, and maintaining customer service records.
4. Systems that need regular inspection include:
 - fuel
 - starting
 - ignition
 - charging
 - cooling
 - lubrication
 - drive
 - suspension
 - steering
 - brake
 - exhaust
 - safety

Assignment 10: Stockkeeping and Merchandising

- | | | | |
|------|------|------|------|
| 1. C | 3. A | 5. C | 7. C |
| 2. B | 4. B | 6. A | 8. A |

1. Benefits of having an adequate inventory include:
 - You can give more efficient service because you have on hand what you need.
 - Customers want to shop where there is an adequate stock of what they need.
 - Employees do a better job of selling when they have access to a full stock.
 - Full stock means you lose fewer sales.
 - Fully stocked shelves are more attractive and inviting to customers.
 - Fully stocked shelves reduce losses because they are easier to inventory and shoplifting is discouraged.
 - Full stock improves cash flow because you only stock what sells well.
 - Full stock reduces labor costs because items are available and service personnel don't have to wait for delivery.
2. Use your judgment in evaluating this response.

3. A stock list serves as an inventory sheet, reorder form, and price list.
4. For the purpose of this assignment, merchandising is defined as "having the right item—in the right amount—in the right assortments and varieties—at the right price—at the right time—and at the right place so it will produce the maximum sales volume needed to give the desired profit."

Assignment 11: Working with Vendors

- | | | | |
|------|------|------|------|
| 1. C | 3. A | 5. C | 7. C |
| 2. A | 4. B | 6. A | 8. B |

1. Use your judgment in evaluating this response.
2. The obligations the store employee has to the vendor include:
 - processing the vendor's order promptly
 - being courteous and helpful to the vendor
 - using vendor-supplied merchandising aids only for the vendor's own products
 - scheduling the vendor's deliveries in advance
3. Use your judgment in evaluating this response, which should refer to the front parking spaces being for the customer's convenience, not the vendor's.
4. Use your judgment in evaluating this response, which should include the fact that soft drinks are high-sales products with full promotional services. When you have good relations, you get maximum service, which results in maximum sales for the store.

Assignment 12: Assisting with Inventory Control

- | | | | |
|------|------|------|------|
| 1. A | 3. B | 5. A | 7. B |
| 2. C | 4. B | 6. C | 8. A |

1. Use your judgment in evaluating this response, which should include the idea that the student's continued employment depends on how well the owner sells the inventory.
2. A stock turnover of 4.7 is better because the higher the number, the more times the merchandise has sold.
3. Use your judgment in evaluating this response, which could include:
 - decreasing the amount of inventory carried
 - promoting the product
 - lowering the price, if possible
 - moving it to a different location
4. Things the employee can do in assisting with inventory control include:
 - noting when sales dramatically increase or decrease
 - knowing items customers ask for that you do not have
 - checking competitors for items and prices
 - not overordering or underordering
 - keeping the stock well organized
 - recording inventory accurately

Assignment 13: Controlling Losses and Shortages

1. C
2. A

3. B
4. A

5. B
6. C

7. B
8. C

1. A manager should:
 - look for inconsistent dates or gaps in employment
 - check with all places of previous employment
 - not make hasty decisions
 - make sure the applicant understands all aspects of the job
2. Use your judgment in evaluating this response.
3. A business can go broke from losses caused by:
 - poor bookkeeping
 - employee dishonesty
 - inadequate inventory methods
 - loose methods of handling cash and credit charges
4. A work order is a ticket signed by the customer authorizing the service work and estimating the amount due. The business knows which employees are working, the amounts charged for their labor, and whether the service department is paying for itself or if it is costing the business owner.

Assignment 14: Promoting the Business

1. B
2. C

3. A
4. B

5. B
6. C

7. C
8. A

1. Forms of promotion include:
 - advertising
 - display
 - personal solicitation
 - telephone solicitation
 - flyers
 - publicity
 - credit
 - cooperative advertising
2. A business owner or manager must try to gain new customers to replace those who move and to regain the customers lured by other businesses. A business cannot stand still and remain in business.
3. Once you establish your dollar budget for promotion, you know how much money you have to work with and can plan your promotion accordingly.
4. Use your judgment in evaluating this response, which should mention that cooperative advertising involves the retailer sharing the expenses with a supplier or other retailers. The student should also mention that the retailer's advertising dollars can go further by using cooperative advertising. Suppliers are able to promote their products and services through retailers with a loyal customer base.

Assignment 15: Getting the Job and Training

1. C
2. A

3. B
4. C

5. B
6. A

7. B
8. C

1. Employers can:
 - check with previous employers
 - ask why you left your last employer
 - ask what you liked and disliked about your last job
 - ask why they should hire you
 - ask why you would like to work for them
2. Use your judgment in evaluating this response, which should mention one-on-one, on-the-job training.
3. Use your judgment in evaluating this response, which should mention that instruction may be given in a group setting, in a training room.
4. Use your judgment in evaluating this response.

Assignment 16: Moving Toward Supervisory/Management Duties

1. A
2. B

3. C
4. B

5. C
6. B

7. A
8. A

1. According to the student manual, a supervisor should discuss an employee's poor work habits when they are noticed, not delayed until evaluation, in order to have a healthy management/employee relationship.
2. You should remember to allow the customer to tell the problem without interruption and to give the customer your full attention so that he or she feels that someone cares.
3. Use your judgment in evaluating this response.
4. Employee evaluations are conducted to give employees feedback about how they are accomplishing their work. They also provide management an opportunity to decide on work-related objectives for the next six- to twelve-month period. They may also be related to employee merit increases and promotions.